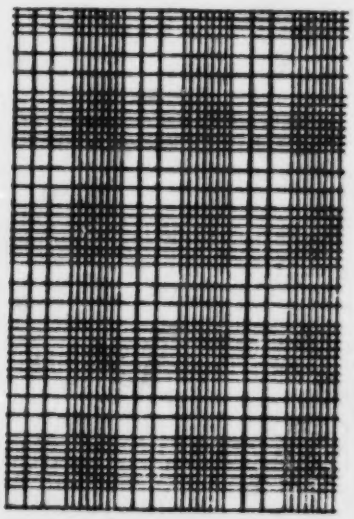
The Corporation of
the City of Thunder Bay



Financial Statement
Auditor's Report
and
Financial Information Return
for the year
Ended
December 31, 1986

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THE CORPORATION OF THE CITY OF THUNDER BAY

DECEMBER 31, 1986

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AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To The Members of Council, Inhabitants
and Ratepayers of the Corporation
of the City of Thunder Bay.

We have examined the consolidated balance sheet of the Corporation of the City of Thunder Bay as at December 31, 1986 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Thunder Bay as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

CONSOLIDATED BALANCE SHEET

CITY OF THUNDER BAY

as at December 31, 1986

	1986	1985
	$	$
ASSETS		
Unrestricted		
Cash	10,259,735	16,112,413
Taxes Receivable	3,420,755	3,591,732
User Charges Receivable	1,846,274	1,818,584
Accounts Receivable	11,509,419	9,563,889
Other Current Assets	2,045,051	1,789,322
Long Term Receivables	40,000	40,000
	29,121,234	32,915,940
Less: Allocated as Restricted Assets	(5,264,729)	(7,482,430)
	23,856,505	25,433,510
Restricted		
Cash	12,448,590	10,218,041
Accounts Receivable	35,529	88,597
Other Current Assets	144,058	129,674
Investment in Own Debentures	10,252,900	8,249,400
	22,881,077	18,685,712
Add: Allocated from Above	5,264,729	7,482,430
	28,145,806	26,168,142
Capital Outlay Financed by Long Term Liabilities And to be Recovered in Future Years (note 7)	38,905,060	39,417,535
	90,907,371	91,019,187
LIABILITIES		
Accounts Payable and Accrued Liabilities	11,454,985	13,797,243
Other Current Liabilities	402,584	269,417
	11,857,569	14,066,660
Net Long Term Liabilities (note 7)	38,905,060	39,417,535
Fund Balances at the End of the Year		
To be Used to Offset Taxation or User Charges (note 8)	5,311,085	5,977,721
Unexpended Capital Financing (notes 8,12)	1,640,057	2,677
Reserves (notes 8,9)	5,234,368	5,386,452
Reserve Funds (notes 8,9)	27,959,232	26,168,142
	90,907,371	91,019,187

The accompanying notes are an integral part of this financial statement.

CONSOLIDATED STATEMENT OF OPERATIONS

for the year ended December 31, 1986

CITY OF THUNDER BAY

	Revenue Fund						
	Budget	Actual	Capital Fund Actual	Reserve Funds Actual	Reserves Actual	1986 Total Actual	1985 Total Actual
Sources of Financing	$	$	$	$	$	$	$
Taxation and User Charges							
Residential and Farm Taxation	21,819,400	21,782,991				21,782,991	20,293,081
Commercial, Industrial & Business Taxation	23,346,800	23,630,730				23,630,730	22,171,154
Current Years Tax Write-Offs		(84,116)				(84,116)	(38,021)
Taxation from Other Governments	4,070,600	4,114,641				4,114,641	3,868,712
User Charges	21,136,700	20,815,864				20,815,864	19,951,438
Grants							
Government of Canada	12,500	217,549	20,840			238,389	864,422
Province of Ontario	46,204,390	47,136,287	4,187,636	17,800		51,341,723	50,044,638
Other Municipalities	23,000	48,204				48,204	17,124
Other							
Contributions from Developer				86,060		86,060	299,770
Investment Income	2,358,000	2,112,614	14,422	2,427,913		4,554,949	4,945,821
Other	1,337,200	1,774,648	2,295,854	326,015		4,396,517	4,444,035
	120,308,590	121,549,412	6,518,752	2,857,788	-	130,925,952	126,862,174
Proceeds from the Issue of Long Term Liabilities			2,817,000			2,817,000	
Expenditures							
General Government	6,509,745	6,377,740	960,372	398,397		7,736,509	6,478,216
Protection to Persons and Property	23,587,094	24,318,736	4,907,521			29,226,257	25,704,319
Transportation Services	21,677,609	20,746,457	5,892,950	14,333		26,653,740	26,499,679
Environmental Services	14,842,857	14,079,548	1,803,326			15,882,874	16,124,616
Health Services	1,151,411	1,138,328				1,138,328	1,203,472
Social and Family Services	27,379,007	27,601,031	356,370			27,957,401	25,703,399
Recreational and Cultural Services	15,493,404	15,808,264	3,117,655			18,925,919	22,671,070
Planning and Development	2,923,703	2,982,204	629,970			3,612,174	3,633,166
	113,564,830	113,052,308	17,668,164	412,730	-	131,133,202	128,017,937
Excess of Financing Over (Under) Expenditures	6,743,760	8,497,104	(8,332,412)	2,445,058		2,609,750	(1,155,763)
Appropriations							
Net Appropriations Between Funds	(10,186,390)	(9,163,740)	9,969,792	(653,968)	(152,084)		
Fund Balances at Beginning of Year (note 8)	5,940,240	5,977,721	2,677	26,168,142	5,386,452	37,534,992	39,764,812
Transfer to Ontario Home Renewal Program Trust Fund							(1,074,057)
Fund Balances at End of Year (note 8)	2,497,610	5,311,085	1,640,057	27,959,232	5,234,368	40,144,742	37,534,992

The accompanying notes are an integral part of this financial statement.

for the year ended December 31, 1986

1. Accounting Policies

The consolidated financial statements of the Corporation of the City of Thunder Bay are the representation of management, prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs.

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

(i) These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves, and include the activities of all committees of Council and the following boards, municipal enterprises and utilities which are under the control of Council:

Thunder Bay Public Library Board
Waterworks Utility
Transit
Parking Authority
Cemeteries
Downtown Business Improvement Areas

All interfund assets and liabilities and sources of financing and expenditures have been eliminated. No loans or advances exist between the reserve funds and other funds of the municipality, and no interest income and expenditure arising from loans or advances between the reserve funds and other funds of the Municipality was incurred in 1986.

(ii) Non-Consolidated Entities

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

Thunder Bay District Health Unit
Thunder Bay Area Emergency Measures Organization
The Hydro Electric Commission of Thunder Bay
Telecommunication Department
Thunder Bay Non-Profit Housing Corporation
Thunder Bay Community Auditorium

(iii) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported in the Consolidated Balance Sheet as "other current liabilities" ("other current assets").

(iv) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately in the "Trust Funds Statement of Continuity and Balance Sheet".

1. Accounting Policies (cont'd)

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure in the "Consolidated Statement of Operations" in the year of acquisition.

(iv) "Capital outlay to be recovered in future years" which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported in the "Consolidated Balance Sheet".

2. Operations of School Boards

Further to note 1(a)(iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards, are comprised of the following:

	1986	1985
Taxation	$38,567,014	$35,663,407
Payments in Lieu of Taxes	916,575	847,176
	39,483,589	36,510,583
Requisitions	(38,988,775)	(36,121,304)
Payment of Supplementary Taxes	(472,986)	(412,090)
Overlevies (Underlevies) for the Year	21,828	(22,811)
Overlevies (Underlevies) at the Beginning of the Year	(10,720)	12,091
Overlevies (Underlevies) at the End of the Year	$ 11,108	$ (10,720)

3. Contributions to Unconsolidated Joint Boards

Further to Note 1(a)(ii), the following contributions were made by the Municipality to these boards:

	1986	1985
Thunder Bay District Health Unit	$ 523,354	$ 603,039
Thunder Bay Emergency Measures Organization	43,735	40,350
	$ 567,089	$ 643,389

The Municipality is contingently liable for its share which is approximately 77.89 per cent of the accumulated deficits as at the end of the year for these boards. The Municipality's share of the accumulated surpluses of these joint boards is as follows:

	1986	1985
Thunder Bay District Health Unit	$9,456	$ 14,844

4. Trust Funds

Trust funds administered by the Municipality amounting to $6,011,145 (1985-$5,844,149) less liabilities of $76,196 (1985-$79,454) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

5. Liability for Past Service Provision of Pension Agreements

The Corporation has an obligation as at December 31, 1986 to the Ontario Municipal Employees Retirement System for past service pensions in the amount of approximately $7,794,121 (1985-$8,982,600). No provision has been made for this liability as at December 31, 1986. The balance of this liability is to be retired by the following payments out of revenue fund revenues:

1987	1 payment @ 1,030,028	$1,030,028
1988	1 payment @ 1,188,479	1,188,479
1989-1992	4 payments @ 1,277,697	5,110,788
1993-1998	6 payments @ 77,471	464,826
		$7,794,121

An amount of $1,030,028 (1985-$1,030,028) was paid from general revenues in 1986 and is reported in the "Consolidated Statement of Operations".

6. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employ.

The liabiality for these accumulated days, to the extend that they have vested and could be taken in cash by an employee on terminating, amounted to approximately $6,029,000 (1985-$6,105,000) at the end of the year.

An amount of $5,026,620 (1985-$4,459,790) has been provided for this liability in a reserve fund and is reported in the "Consolidated Balance Sheet". Provisions were made in prior years which together with interest have accumulated in this reserve fund.

7. Net Long Term Liabilities

	1986	1985
(a) The balance of the net long term liabilities reported in the "Consolidated Balance Sheet" is made up of the following:		
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	$45,782,876	$47,015,305
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated local boards and utilities. At the end of the year, the outstanding principal amount of this liability is	(4,616,527)	(5,118,343)
The balance in the Ministry of the Environment Debt Retirement Fund which has been accumulated to the end of the year to retire outstanding long term liabilities included above amounts to	(2,261,289)	(2,479,427)
Net long term liabilities at the end of the year	$38,905,060	$39,417,535

7. Net Long Term Liabilities (cont'd)

(b) Of the net long term liabilities reported in (a) of this note, $17,956,673 in principal payments are payable from 1987 to 1991, $10,698,414 from 1992 to 1996, and $10,249,973 thereafter and are summarized as follows:

	1987 to 1991	1992 to 1996	1997 and Thereafter	Total
From General Municipal Revenues	$ 9,972,823	$ 6,355,641	$ 8,634,806	$24,963,270
From Benefitting Landowners	1,065,083	1,059,466	968,265	3,092,814
From Consolidated Municipal Enterprises	6,279,570	3,038,501	646,902	9,964,973
From Reserve Funds	71,665	43,002		114,667
Ministry of the Environment Debt Retirement Fund				
Principal and Estimated Interest Earned on the Fund				
General Municipal	97,577			97,577
Municipal Enterprises	469,955	201,804		671,759
	$17,956,673	$10,698,414	$10,249,973	$38,905,060

(c) Included in "Net Long Term Liabilities" in the "Consolidated Balance Sheet" is an amount of $3,744,000 (1985-$4,045,000) payable in United States dollars. The Canadian dollar equivalent at December 31, 1986, using the rate of exchange in effect at the time of each U.S. debenture issue, is $3,809,628 a difference of $65,628 from the par value in U.S. dollars. The net long term liabilities have not been translated into Canadian dollars to reflect this difference.

If the liability is translated into Canadian dollars at the exchange rate prevailing at December 31, 1986, the liability would be increased by $1,425,000 (1985-$1,593,000).

(d) Approval of the Ontario Municipal Board or approval by private legislation has been obtained, where applicable, for the long term liabilities in (a) issued in the name of the Municipality.

(e) The Municipality is contingently liable for long term liabilities for which the responsibility for the payment of principal and interest has been assumed by school boards, unconsolidated municipal enterprises, and utilities. The total amount outstanding as at December 31, 1986 is $4,616,527 (1985-$5,118,343) and is not recorded in the "Consolidated Balance Sheet".

(f) Included in "Net Long Term Liabilities" in the "Consolidated Balance Sheet" is an amount of $3,98[illegible],125 representing a loan from the Province of Ontario under the Downtown Revitalization Program. There is no fixed repayment schedule for this loan. The City is to make payments to the Province until an amount equal to 110 per cent of the loan has been paid. Repayments, according to the agreement, are to be made from tax increments and leases generated from the revitalization area. The original loan amount was $4,040,000 and $5,700 was repaid on this loan in 1986.

8. Municipal Fund Balances at the End of the Year

(a) The balance in the "Consolidated Statement of Opeations" of municipal equity of $40,144,742 (1985-$37,534,992) at the end of the year is comprised of the following:

	1986	1985
General Ratepayers -		
Revenue Fund for Reduction of Taxes	$ 965,211	$ 3,070,289
Library Board	9,278	117,930
	974,489	3,188,219
Designated Ratepayers - Special Areas		
Garbage Collection Area	219,803	(84,210)
Street Lighting Area	85,010	67,699
Sewage and Drainage Area	308,745	61,056
Public Transportation Area	540,704	160,369
Local Improvement Ratepayers	544,329	501,293
Business Improvement Areas	(6,230)	37,248
Waterworks - for General Reduction of User Charges	2,644,235	2,046,047
	5,311,085	5,977,721
Capital Works in Progress to be Financed from the Proceeds of Long Term Liabilities	(2,954,903)	(3,294,527)
Capital Works to be Financed from Current Revenue in 1987	(163,083)	
Unapplied Capital Receipts Available for the Acquisition or Construction of Fixed Assets	4,758,043	3,297,204
	1,640,057	2,677
Reserves for Designated Purposes	5,234,368	5,386,452
Reserve Funds for Designated Purposes	27,959,232	26,168,142
	40,144,742	$37,534,992

(b) Approval of the Ontario Municipal Board has been obtained for the pending issue(s) of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

9. Reserves and Reserve Funds

The total balance of reserves and reserve funds of $5,234,368 (1985 $5,386,452) and $27,959,232 (1985-$26,168,142) respectively are made up of the following:

Reserves Set Aside for Specific Purposes by Council	1986	1985
For Acquisition or Construction of Fixed Assets	$ 934,368	$ 1,086,452
For Working Capital	4,300,000	4,300,000
Total Reserves	5,234,368	5,386,452
Reserve Funds Set Aside for Specific Purposes by Council		
For Acquisiton or Construction of Fixed Assets	8,481,193	9,171,413
For Stabilization of Foreign Exchange	762,706	675,246
For Benefits Rate Stabilization	1,185,218	994,482
For Debt Retirement	5,232,021	4,707,174
For Fire, Collision and Compensation - Self Insurance	5,889,521	4,776,737
For Vested Sick Leave Benefits	5,026,620	4,459,790
	26,577,279	24,784,842
Reserve Funds Set Aside for Specific Purposes by Legislation, Regulation or Agreement		
For Park Purposes	1,381,953	1,383,300
Total Reserve Funds	27,959,232	26,168,142
Total Reserves and Reserve Funds	$33,193,600	$31,554,594

10. Charges for Net Long Term Liabilities

Total charges for the year for net long term liabialities which are reported in the "Consolidated Statement of Operations" are as follows:

	1986	1985
Principal Payments Including Contributions to the Ministry of the Environment Debt Retirement Fund	$ 3,103,516	$ 2,896,161
Interest	3,849,398	4,176,491
	$ 6,952,914	$ 7,072,652

The charges for long term liabilities assumed by the non-consolidated entities are not reflected in these statements.

11. Nonaccrual of Interest on Long Term Liabilities

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the municipal fund balances as at December 31, 1986 would have been decreased by $723,945 (1985-$795,785).

12. Unexpended Capital Financing

Unexpended capital financing of $1,640,057 (1985-$2,677) reported in the "Consolidated Balance Sheet" is made up of the following:

	1986	1985
Work in Progress for which Long Term Financing has not been Completed as at December 31	$(2,954,903)	$(3,294,527)
Capital Works to be Financed from Current Revenue in 1987	(163,083)	
Unexpended Capital Financing	17,776	188,318
Unapplied Capital Receipts	4,740,267	3,108,886
	$ 1,640,057	$ 2,677

Unapplied capital receipts represents unexpended capital financing from sources such as the sale of City owned lands and the receipt of unconditional capital grants.

13. Capital Financing Reserve Fund

This fund was created to assist the City in the financing of capital works. The aggregate cost of capital works financed from this fund to December 31, 1986 for which debentures would otherwise have been issued, after deducting recoveries from tax levies to that date, amounts to $2,692,155. It is the present intention to recover this balance from future tax levies and user rates by annual provisions approximately equal to the payment that would have been recovered had debentures been issued as follows:

From Future Tax Levies		$ 1,062,012
From Parking Facilities Reserve Fund		1,336,889
From Waterworks		147,250
From Community Auditorium		146,004
		$ 2,692,155
Unrecovered Capital Expenditures at December 31, 1985		$ 2,254,098
Capital Works Financed in 1986		640,771
		$ 2,894,869
Recovered in 1986 Tax Levy	$ 69,875	
Transfer from Parking Facilities Reserve Fund	77,531	
Transfer from Waterworks	15,951	
Transfer from Community Auditorium	39,357	(202,714)
Unrecovered Capital Expenditures at December 31, 1986		$ 2,692,155

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To The Members of Council, Inhabitants
and Ratepayers of the Corporation
of the City of Thunder Bay.

We have examined the balance sheet of the trust funds of the Corporation of the City of Thunder Bay as at December 31, 1986 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

The trust funds of the Corporation of the City of Thunder Bay derive receipts from donations and deposits (withdrawals) for residents of the homes for the aged, the completeness of which is not susceptible to conclusive audit verification. Accordingly, we are unable to determine whether any adjustments for unrecorded receipts might be necessary to the homes for the aged balances at the end of the year.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the completeness of receipts for the homes for the aged described in the preceding paragraph, these financial statements present fairly the financial position of the trust funds of the Corporation of the City of Thunder Bay as at December 31, 1986 and the continuity of trust funds for the year then ended in accordance with accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

TRUST FUNDS

BALANCE SHEET

as at December 31, 1986

	Total	Mountain View	Saint Patricks	Compensation	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Cumberland Hall Home for Aged	OHRP	Library
Assets	$	$	$	$	$	$	$	$	$
Cash	793,492	46,471	371	1,021	270,303	235,377	239,723		226
Investments - Municipal	280,405	280,405							
Term Deposits	3,875,000	198,000	76,000		1,800,000	1,800,000			1,000
	4,155,405	478,405	76,000	-	1,800,000	1,800,000	-	-	1,000
Other									
Accrued Interest	2,453	2,209	226	18					
Due from Revenue Fund	296,317							296,317	
OHRP Loans Receivable	763,478							763,478	
	1,062,248	2,209	226	18	-	-	-	1,059,795	-
	6,011,145	527,085	76,597	1,039	2,070,303	2,035,377	239,723	1,059,795	1,226
Liabilities									
Due to Revenue Fund	76,196	32,631	6,744	619		36,098			104
Balance - Capital	5,934,949	494,454	69,853	420	2,070,303	1,999,279	239,723	1,059,795	1,122
	6,011,145	527,085	76,597	1,039	2,070,303	2,035,377	239,723	1,059,795	1,226

TRUST FUNDS

STATEMENT OF CONTINUITY

for the year ended December 31, 1986

	Total	Mountain View	Saint Patricks	Compensation	Dawson Court Home for Aged	Grandview Lodge Home for Aged	Cumberland Hall Home for Aged	OHRP	Library
	$	$	$	$	$	$	$	$	$
Balance at Beginning of Year	5,764,695	470,205	69,769	2,559	2,053,812	1,955,037	205,388	1,006,812	1,113
Receipts									
Residents' Deposits (Withdrawals) Net	(253,401)				(148,417)	(118,200)	13,216		
35% of Sale of Plots	24,140	24,056	84						
Annual Cost of Plots	193	193							
Grant Ministry of Housing	150,000							150,000	
Earned Interest	440,487	56,880	6,828	153	164,908	162,442	21,119	28,048	109
	361,419	81,129	6,912	153	16,491	44,242	34,335	178,048	109
Expenditures									
Net Investment Earnings	63,708	56,880	6,828						
Compensation Payments	2,292			2,292					
Return of OHRP Rental Surplus Funds	38,730							38,730	
Earned Forgiveness	86,335							86,335	
Grant for Books	100								100
	191,165	56,880	6,828	2,292	-	-	-	125,065	100
Balance at End of Year	5,934,949	494,454	69,853	420	2,070,303	1,999,279	239,723	1,059,795	1,122

Thorne Ernst & Whinney
Chartered Accountants

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Thunder Bay, Ontario, Canada
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AUDITORS' REPORT

To the Chairman and Members
Thunder Bay Public Library Board

We have examined the balance sheet of the Thunder Bay Public Library Board as at December 31, 1986 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 10, 1987
Licence No. 1086

Member of Ernst & Whinney International

THUNDER BAY PUBLIC LIBRARY BOARD

BALANCE SHEET

	December 31 1986	1985
ASSETS		
Unrestricted		
Cash	$141,018	$ 47,530
Accounts receivable	39,576	8,419
Due from City of Thunder Bay	225,695	331,907
Due from trust fund	104	100
Prepaid expense	1,459	24,952
	407,852	412,908
Less payable to reserve funds	-	116,011
	407,852	296,897
Restricted		
Cash	186,574	8,071
Receivable from revenue fund	-	116,011
Receivable from City of Thunder Bay	-	188,318
	186,574	312,400
Capital outlay financed by long-term liabilities and to be recovered in future years	315,000	348,000
	$909,426	$957,297
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$247,571	$178,967
Long-term liabilities financed by the municipality (note 1)	315,000	348,000
FUND BALANCES AT END OF YEAR		
To be used to offset municipal contribution in subsequent year	9,278	117,930
Unexpended capital financing	186,574	188,318
Reserves (note 2)	151,003	-
Reserve funds (note 2)	-	124,082
	$909,426	$957,297

COMMITMENTS (note 5)

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS

	Year Ended December 31		
	1986 Budget	1986 Actual	1985 Actual
SOURCES OF FINANCING			
Municipal contribution			
Operating and capital grants	$3,005,500	$3,005,470	$3,331,100
Debenture charges	60,000	59,970	60,373
	3,065,500	3,065,440	3,391,473
Grants			
Province of Ontario			
Per household grant	283,700	295,565	283,652
Wintario grants	-	12,500	-
Special grants	-	172,588	16,435
Canada special grants	-	80,503	20,261
Ontario Library Service grants to unorganized townships	4,400	4,886	4,886
Inter-Library loan services	15,000	17,200	24,000
Other special services	33,800	33,800	26,033
Other municipalities (note 3)	17,000	43,011	16,948
Interest income	-	6,647	-
	353,900	666,700	392,235
Other			
Charges for lost books	10,000	20,666	4,056
Photo-copying charges	29,600	25,362	28,285
Projector rentals	3,800	4,871	4,437
Other	4,400	22,119	10,621
	47,800	73,018	47,399
FUND BALANCES AT BEGINNING OF YEAR			
To be used to offset municipal contribution	117,900	117,930	98,734
Unexpended capital financing	188,300	188,318	-
	306,200	306,248	98,734
	$3,773,400	$4,111,406	$3,929,841

	Year Ended December 31		
	1986 Budget	1986 Actual	1985 Actual
APPLIED TO			
Current operations			
Salaries	$2,360,900	$2,388,029	$2,267,950
Library services	608,600	618,635	553,170
Building and equipment expenses	288,700	279,347	260,944
Administrative and general expenses	229,000	225,923	202,999
Interest charges on debenture	27,000	26,970	29,373
Special government funded projects	-	98,430	36,716
	3,514,200	3,637,334	3,351,152
Capital			
Building and equipment	226,200	218,299	259,155
Reduction of debenture Principal	33,000	33,000	31,000
	259,200	251,299	290,155
Net appropriations to (from) reserve	-	26,921	(17,714)
FUND BALANCES AT END OF YEAR			
To be used to offset municipal contribution in subsequent year	-	9,278	117,930
Unexpended capital financing	-	186,574	188,318
	-	195,852	306,248
	$3,773,400	$4,111,406	$3,929,841

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities financed by the municipality which are charged against operations in the period in which they are recorded by the municipality, and are not accrued for the period from the date of the latest instalment payment to the end of the fiscal year.

(b) The historical cost and accumulated depreciation of fixed assets are not reported for municipal library purposes. Instead, the capital outlay financed by long-term liabilities and to be recovered in future years, which represents the outstanding principal portion of the unmatured long-term liability issued by the municipality for library purposes, is reported on the balance sheet.

(c) This statement reflects the assets and liabilities of the revenue fund, capital fund and reserve funds of the Board.

(d) Statement of Operations

This statement reflects the combined sources of financing and expenditures of the revenue fund, capital fund and reserve funds of the Board.

(e) Trust Fund

A trust fund and its related operations administered by the Board is not consolidated, but is reported separately on the trust fund balance sheet and statement of continuity.

1. LONG-TERM LIABILITIES FINANCED BY THE MUNICIPALITY

The City of Thunder Bay debenture debt for library purposes, at December 31,. is as follows:

	1986	1985
By-law No. 249/73, 7.75%, maturing December 15, 1993	$315,000	$348,000

1. LONG-TERM LIABILITIES FINANCED BY THE MUNICIPALITY (Continued)

Principal and interest payable on this debt within each of the next five years is as follows:

	Principal	Interest	Total
1987	$36,000	$24,412	$60,412
1988	38,000	21,622	59,622
1989	41,000	18,678	59,678
1990	44,000	15,500	59,500
1991	48,000	12,090	60,090

2. RESERVE AND RESERVE FUNDS

	1986	1985
Reserves		
Appropriation from reserve funds	$124,082	$ -
Appropriation from current operations	54,671	-
	178,753	-
Appropriations to current operations		
Building renovations and equipment	7,120	-
Circulation automation projects	20,630	-
	27,750	-
Balance at end of year	$151,003	$ -
Reserve funds		
Balance at beginning of year	$124,082	$141,796
Revenue		
Contribution from current operations	-	30,056
Interest	-	3
	-	30,059
Expenditure		
Building renovations and equipment	-	47,773
Appropriations for reserves	124,082	-
	124,082	47,773
Balance at end of year	$ -	$124,082

2. RESERVE AND RESERVE FUNDS (Continued)

	1986	1985
Set aside for specific purposes		
Capital expenditures	$104,241	$ 85,955
Acquisition of library materials/equipment	34,262	17,497
Circulation automation	-	20,630
Special studies	12,500	-
	$151,003	$124,082

3. GRANTS FROM OTHER MUNICIPALITIES

The Board provides library services for other municipalities. Grants from these municipalities are as follows:

	1986	1985
Municipality of Shuniah	$25,406	$ -
Municipality of Paipoonge	7,012	6,742
Municipality of Neebing	3,182	3,016
Township of Oliver	4,800	4,680
Township of O'Connor	1,427	1,372
Township of Gillies	1,184	1,138
	$43,011	$16,948

4. TRUST FUND

Special donations which were received in prior years from the Lake Superior Chapter I.O.D.E. are held in trust by the Board. This trust provides that interest on this fund is to provide for an annual grant of $100 to be used for the purchase of books or for support of cultural projects in the children's section of the Brodie Street Library. The trust fund balance at December 31, 1986 is $1,122 (1985, $1,113).

5. COMMITMENTS

(a) At December 31, 1986, commitments in connection with the uncompleted portion of a contract for the provision of an integrated library information system amount to approximately $74,000.

5. COMMITMENTS (Continued)

(b) The Board has entered into an agreement to lease telephone equipment with monthly payments of $323 until expiry in August, 1992. The aggregate future payments to the expiry date amount to $21,641. At any time after August, 1988, a single amount equal to the present value of the remaining payments can be made to extinguish the obligation. Ontario Municipal Board approval has not been received for this agreement.

(c) The Board has commitments under long-term leases for future rentals of copiers totalling $32,185 payable over the next four years as follows:

1987	$ 9,196
1988	9,196
1989	9,196
1990	4,597
	$32,185

Ontario Municipal Board approval has not been received for these leases.

(d) The Board also leases premises for its technical services department for a five year period ending April 1, 1988 at an annual rent of $17,505 plus its proportionate share of taxes and insurance. Ontario Municipal Board approval has not been received for this lease.

THUNDER BAY PUBLIC LIBRARY BOARD

REVENUE FUND

SCHEDULES OF EXPENDITURE

	Year Ended December 31		
	1986 Budget	1986 Actual	1985 Actual
Salaries			
Library and administrative staff	$1,851,400	$1,885,630	$1,804,751
Custodial	195,300	201,452	188,194
Fringe benefits	314,200	300,947	275,005
	$2,360,900	$2,388,029	$2,267,950
Library services			
Books	$ 351,700	$ 359,566	$ 331,340
Book processing	52,900	52,885	60,795
Periodicals	36,300	36,279	31,193
Audio visual	36,700	36,670	33,488
Microfilms	12,100	12,098	11,376
Reproducing service expenses	99,900	100,122	67,040
Extension services	19,000	21,015	17,938
	$ 608,600	$ 618,635	$ 553,170
Building and equipment expenses			
Repairs and maintenance	$ 22,600	$ 22,614	$ 22,413
Fuel	36,500	36,050	35,725
Utilities and telex	75,400	68,475	66,612
Insurance	34,400	32,994	26,652
Rental of premises	108,700	108,095	98,213
Custodial supplies and expenses	11,100	11,119	11,329
	$ 288,700	$ 279,347	$ 260,944
Administrative and general expenses			
Office and library supplies and expenses	$ 67,100	$ 66,993	$ 60,286
Conventions, staff development and memberships	28,400	28,288	28,419
Travel and vehicle expenses	16,100	16,071	24,759
Express, cartage and postage	30,000	30,000	34,538
Advertising and promotion	16,700	14,000	13,300
Consultants' fees	10,000	10,000	9,325
Circulation automation	-	-	8,143
Other general expenses	60,700	60,571	24,229
	$ 229,000	$ 225,923	$ 202,999

Thorne Ernst & Whinney
Chartered Accountants

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Thunder Bay, Ontario, Canada
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807/623-5575

AUDITORS' REPORT

To the Chairman and Members
Thunder Bay Public Library Board

We have examined the balance sheet of the trust fund of the Thunder Bay Public Library Board as at December 31, 1986 and the statement of continuity of the trust fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust fund of the Thunder Bay Public Library Board as at December 31, 1986 and the continuity of the trust fund for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

February 10, 1987
Licence No. 1086

Member of Ernst & Whinney International

THUNDER BAY PUBLIC LIBRARY BOARD

TRUST FUND

BALANCE SHEET

	December 31 1986	1985
ASSETS		
CURRENT ASSETS		
Cash	$ 226	$ 213
Term deposit 8.5%, maturing May, 1987	1,000	1,000
	$1,226	$1,213
CURRENT LIABILITIES		
Due to revenue fund	$ 104	$ 100
FUND BALANCE	1,122	1,113
	$1,226	$1,213

STATEMENT OF CONTINUITY

	Year ended December 31 1986	1985
BALANCE AT BEGINNING OF YEAR	$1,113	$1,064
Donation	-	30
Interest earned	109	119
	109	149
Expenditure		
Grant for books	100	100
BALANCE AT END OF YEAR	$1,122	$1,113

THUNDER BAY PUBLIC LIBRARY BOARD

TRUST FUND

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

Sources of revenue and expenditure are reported on a cash basis.

The term deposit investment is recorded at cost.

WATERWORKS STATISTICS

for the year ended December 31, 1986

CITY OF THUNDER BAY

(Not Subject to Audit)

A STATS

	1986	1985
Name of Waterworks		
Estimated Population Served	105,945	105,689
Source of Supply		
Surface		
Miles of Mains		
Under 6"	21.84	21.70
6"	186.80	186.32
8" to 10"	76.52	74.42
12" to 16"	56.38	56.38
Over 16"	48.40	47.37
Annual Quantity of Water Distributed		
Own Municipality	5,733,812,000	5,733,270,000
Treated Storage Capacity	6,900,000	6,900,000
Flows		
Maximum Month	544,018,000	509,755,000
Average Month	477,818,000	477,722,000
Maximum Day	21,321,000	20,051,000
Average Day	15,709,000	15,707,000
Design Average Day	29,000,000	29,000,000
Water Loss (Metered Only)	10%	10%
Usage		
Number of Customers - Residential	32,286	31,915
- Non-Residential	1,737	1,720
Percentage of Water - Residential	60%	60%
- Non-Residential	40%	40%

Water Rates - See Attached Schedule "A"

WATER CONSUMPTION CHARGES

Metered Services

This rate will consist of a charge for each year or fraction of a year thereof as follows:

First Block Rate - $2.588 per 100 cubic feet.

The first block will be determined by the size of the meter installed and will be 1,000 cubic feet multiplied by the meter factor or meter factors in the case of multiple meter. The meter factors are as follows:

Meter Size	Meter Factor
5/8"	1
3/4"	1.5
1"	2.5
1½"	5
2"	8
3"	15
4"	25
6"	50
8"	80
10"	115
12"	155

Meters larger than 12" will have a proportionate Meter Factor. Minimum charge will be for the first block per quarter.

Second Block Rate - $0.566 per 100 cubic feet for all in excess of the first block.

Unmetered Services

Domestic Flat Rate

No. of Rooms	Basic Quarterly Charge	Additional Bathrooms
4 or less	$20.58	$2.09
5	21.94	2.09
6	23.32	2.09
7	27.42	2.72
8	28.83	2.72
9 to 12	32.95	3.43
Over 12	34.30	3.43

The basic quarterly charge shall include three bathroom fixtures (not including shower), kitchen taps, and outside taps. The minimum quarterly charge shall be the same as for metered services.

Additional Charges

Taps	$1.39
Showers	2.72
Automatic Washers	1.39
Hot Water or Steam Head	1.39

WATERWORKS

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY — A-1

for the year ended December 31, 1986

	1986 Budget	1986 Actual	1985 Actual
	$	$	$
Accumulated Net Revenue at the Beginning of the Year	2,046,047	2,046,047	1,862,951
Expenditure			
Operations			
Water Supply	162,900	273,419	180,658
Power and Pumping	610,000	656,444	605,480
Water Transmission & Distribution	1,940,600	1,731,892	1,673,476
Administration	1,732,900	1,757,196	1,568,667
Total Operating Expenditure	4,446,400	4,418,951	4,028,281
Provision for Foreign Exchange	-	33,587	116,835
Principal Payments and Interest Charges on Long Term Debt	1,913,317	1,913,256	1,917,589
Capital Expenditure Out of Current Revenue	815,900	427,411	643,975
Other	34,183	33,183	33,183
Total Expenditure	7,209,800	6,826,388	6,739,863
Revenue			
Sale of Water	6,677,100	7,043,028	6,542,752
Municipal Contribution	34,100	33,179	33,179
Fire Protection	342,900	327,944	338,680
Other Revenue	10,600	20,425	8,348
Total Revenue	7,064,700	7,424,576	6,922,959
Accumulated Net Revenue at the End of the Year	1,900,947	2,644,235	2,046,047

WATERWORKS

CHANGES IN FINANCIAL POSITION — CITY OF THUNDER BAY A-2

for the year ended December 31, 1986

	1986	1985
	$	$
Source of Funds		
Total Revenue	7,424,576	6,922,959
Total Operating Expenditure	4,418,951	4,028,281
Total Provided from Operations	3,005,625	2,894,678
Capital Funds Transferred from the Municipality	5,951	492,808
	3,011,576	3,387,486
Application of Funds		
Capital Expenditures		
Buildings	3,430	27,424
Engineering Structures	326,061	1,064,356
Machinery and Equipment	103,871	45,003
	433,362	1,136,783
Principal Payments and Interest Charges on Long Term Debt	1,913,256	1,917,589
Provision for Foreign Exchange	33,587	116,835
Contribution to Capital Financing Reserve Fund General Section	33,183	33,183
	2,413,388	3,204,390
Net Increase in Working Capital	598,188	183,096
Working Capital at the Beginning of the Year	2,046,047	1,862,951
Working Capital at the End of the Year	2,644,235	2,046,047

WATERWORKS

BALANCE SHEET

CITY OF THUNDER BAY A-3

as at December 31, 1986

	1986	1985
	$	$
ASSETS		
Accounts Receivable	1,846,274	1,818,584
Due from City Revenue Fund	657,916	268,550
Inventory of Materials	247,221	237,160
	2,751,411	2,324,294
Capital Outlay to be Recovered in Future Years from Waterworks Revenue	8,392,049	9,057,927
Watermains - Work in Progress	-	512,067
Due from Ministry of Environment Reserve Fund	144,058	129,674
Total Assets	11,287,518	12,023,962
LIABILITIES		
Accounts Payable	107,176	278,247
Payable to Own Municipality for Waterworks under Construction	-	512,067
Long Term Debt Financed by the Municipality	8,392,049	9,057,927
Reserve Fund	144,058	129,674
Accumulated Net Revenue	2,644,235	2,046,047
Total Liabilities	11,287,518	12,023,962

WATERWORKS

MINISTRY OF THE ENVIRONMENT
RESERVE FUND FOR CONTINGENCIES

CITY OF THUNDER BAY A-4

for the year ended December 31, 1986

	$
Balance at the Beginning of the Year	129,674
Revenue	
Interest Earned	14,384
Balance at the End of the Year	144,058

Watermains constructed in 1976 and 1980 were financed from the City Capital Financing Reserve Fund. It is the present intention to recover these costs from the waterworks utility by annual provisions approximately equal to the annual payment that would have been recovered had debentures been issued. The unrecovered balance of this amount as at December 31, 1986 amounted to $147,250 and is not included in Long Term Debt on the Balance Sheet.

WATERWORKS

ANALYSIS OF REVENUE — CITY OF THUNDER BAY — A 1-1

for the year ended December 31, 1986

	1986	1985
	$	$
Sale of Water	7,043,028	6,542,752
Municipal Contribution		
Frontage Charges	33,179	33,179
Fire Protection		
Own Municipality	327,944	338,680
Other Revenue		
Installation and Service Charges	20,425	8,348
Total Revenue	7,424,576	6,922,959

WATERWORKS

ANALYSIS OF EXPENDITURE — CITY OF THUNDER BAY A 1-2

for the year ended December 31, 1986

	Salaries Wages and Fringe Benefits	Material Supplies and Utilities	Other Services	Total
	$	$	$	$
Water Supply	69,413	182,746	21,260	273,419
Power and Pumping	231,221	357,826	67,397	656,444
Water Transmission and Distribution				
Mains	490,624	102,545	441,218	1,034,387
Meters	130,719	78,106	12,595	221,420
Services	326,454	48,437	101,194	476,085
	947,797	229,088	555,007	1,731,892
Administration				
General Administration	839,079	6,361	104,572	950,012
Billing and Data Processing	295,864	23,297	140,943	460,104
Other Administrative Expense	170,938	4,957	18,911	194,806
Grant in Lieu of Taxes			150,404	150,404
Bad Debts Written Off			1,870	1,870
	1,305,881	34,615	416,700	1,757,196
Total Operating Expenditure	2,554,312	804,275	1,060,364	4,418,951
Principal Payments on Long Term Debt			829,124	829,124
Ministry of the Environment Sinking Fund Debentures			20,121	20,121
			849,245	849,245
Interest Charges on Long Term Debt			1,064,011	1,064,011
Provision for Foreign Exchange			33,587	33,587
			1,946,843	1,946,843
Capital Expenditure out of Current Revenue			427,411	427,411
Contribution to Capital Financing Reserve Fund General Section			33,183	33,183
Total Expenditure	2,554,312	804,275	3,467,801	6,826,388

TRANSIT STATISTICS — CITY OF THUNDER BAY — E STATS

for the year ended December 31, 1986

		1986	1985
Passengers			
	Adult Tickets	619,196	718,740
	Child Tickets	35,396	44,420
	Student Tickets	610,472	614,780
	Reduced Fares	410,560	391,040
	Cash Fares	2,375,975	2,277,686
Total Passengers		4,051,599	4,046,666
Revenue Klm.			
	Regular	3,632,888	3,625,660
	Charter and Other	20,631	38,256
Miles of Street with Transit Service		349	349
Population Serviced		113,000	113,000
Area Served (square miles)		249	249
Fare Structure (detail):			
	Adults .95 20 rides - 17.25	42.00 monthly	
	Children .60 20 rides - 10.50	26.50 monthly	
	Students .70 20 rides - 12.50	31.00 monthly	
	Reduced .45 20 rides - 7.50	20.00 monthly	
Average Fare		.715	.715
Passenger Vehicles (by type):			
	GMC Diesel 51 Passenger Buses	65	65
Number of Employees:			
	Operators	119	119
	Supervisors and Inspectors	12	12
	Maintenance	30	30
	Other	6	6
Maximum Operator Hourly Rate		12.65	12.35

NOT SUBJECT TO AUDIT

TRANSIT

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY B-1

for the year ended December 31, 1986

	1986 Budget	1986 Actual	1985 Actual
	$	$	$
Revenue			
Regular Passenger Revenue	2,671,700	2,768,064	2,720,632
Charter	79,000	44,968	62,543
Contract	32,800	35,034	32,768
Advertising	53,000	55,251	51,800
Other	12,000	12,813	863
Total Revenue	2,848,500	2,916,130	2,868,606
Expenditure - Operations			
Transportation	4,465,800	4,555,379	4,161,587
Fuel	1,060,200	993,559	927,317
Equipment and Vehicle Maintenance	1,852,000	1,691,579	1,625,858
Premises and Plant	548,100	511,064	480,349
General and Administrative	1,180,100	1,113,669	1,020,218
Total Operating Expense	9,106,200	8,865,250	8,215,329
Principal Payment on Long Term Debt	17,100	17,127	15,946
Interest on Long Term Debt	28,100	28,061	29,777
Capital Expenditure Out of Current Revenue	289,000	93,690	43,220
Accounts Receivable Write-off	-	1,911	1,413
Transfer to Reserve for Equipment	-	170,223	57,500
Total Expenditures	9,440,400	9,176,262	8,363,185
Excess of Expenditures over Revenues for the Year 1986	6,591,900	6,260,132	5,494,579
Transportation for the Handicapped	481,900	355,441	307,722
	7,073,800	6,615,573	5,802,301
Municipal Contribution Financed By:			
Ministry of Transportation and Communication			
Operating Subsidy	2,295,300	2,267,971	2,092,004
Grant for the Transportation of the Handicapped	249,200	247,868	246,407
General Revenue	4,529,300	4,099,734	3,463,890
Total Municipal Contribution	7,073,800	6,615,573	5,802,301

TRANSIT

CHANGE IN FINANCIAL POSITION — CITY OF THUNDER BAY B-2

for the year ended December 31, 1986

	1986	1985
	$	$
Source of Funds		
Total Revenue	2,916,130	2,868,606
Total Operating Expense	8,865,250	8,215,329
Total Transportaton for the Handicapped	355,441	307,722
Total Provided from Operations	(6,304,561)	(5,654,445)
Capital Funds Transferred From the Municipality	182,461	15,310
Municipal Contribution	6,615,573	5,802,301
	493,473	163,166
Application of Funds - Capital Expenditure		
Engineering Structures	68,609	3,996
Machinery and Equipment	243,281	41,938
Passenger Vehicles	-	9,286
Other	32,954	21,067
	344,844	76,287
Principal Payments on Long Term Debt	17,127	15,946
Interest Charges on Long Term Debt	28,061	29,777
Accounts Receivable Written Off	1,911	1,413
	391,943	123,423
Net Increase in Working Capital	101,530	39,743
Working Capital at the Beginning of the Year	118,329	78,586
Working Capital at the End of the Year	219,859	118,329

TRANSIT

BALANCE SHEET

as at December 31, 1986

ASSETS	1986	1985
	$	$
Current Assets		
Accounts Receivable	12,906	35,244
Inventories	211,454	212,471
Due from Municipality	26,533	-
	250,893	247,715
Capital Outlay to be Recovered in Future Years	258,683	275,810
Total Assets	509,576	523,525

LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	31,034	38,006
Due to Municipality	-	91,380
	31,034	129,386
Long Term Debt Financed by The Municipality	258,683	275,810
Reserves (Note 1)	219,859	118,329
Total Liabilities	509,576	523,525

TRANSIT

ANALYSIS OF REVENUE

for the year ended December 31, 1986

	1986	1985
	$	$
Regular Passenger Service		
Fares	2,768,064	2,720,632
Contract Service	35,034	32,768
Charter, Sightseeing & Other	44,968	62,543
Advertising	55,251	51,800
Other	12,813	863
Total Revenue	2,916,130	2,868,606

TRANSIT

ANALYSIS OF EXPENDITURE

for the year ended December 31, 1986

	Salaries Wages and Fringe Benefits	Material Supplies Services and Rents	Debt Charges	Other	Total
	$	$	$	$	$
Transportation	4,335,873	219,506			4,555,379
Fuel and Fuel Taxes		993,559			993,559
Equipment and Vehicle Maintenance	1,060,688	630,891			1,691,579
Premises and Plant	44,615	466,449			511,064
General and Administration	793,935	319,734			1,113,669
Principal Payments on Long Term Debt			17,127		17,127
Interest Payments on Long Term Debt			28,061		28,061
Accounts Receivable Written Off				1,911	1,911
Capital Expenditure Out of Current Revenue				93,690	93,690
Transfer to Reserve for Equipment				170,223	170,223
Contribution to Transportation for the Handicapped				355,441	355,441
	6,235,111	2,630,139	45,188	621,265	9,531,703

1. Reserve for Capital Expenditure

	$
Balance December 31, 1985	118,329
Provision for Capital Expenditures and Equipment	170,223
Contribution for Capital Expenditure and Equipment	(68,693)
Balance December 31, 1986	219,859

2. Commitments

The City of Thunder Bay has a liability as at December 31 1986 to the Ontario Municipal Employees Retirement System for supplementary benefits for its transit employees in the amount of $145,208.

This liability will be retired by the following payments:

1987	1 payment @ 25,833	25,833
1988 - 1992	5 payments @ 23,875	119,375
		145,208

This liability is not included on the Balance Sheet as at December 31, 1986.

3. Liability for Vested Sick Leave Benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating, amounted to approximately $283,000 at the end of the year. It is the policy of the City to provide in the current year's expenditures for cumulative sick leave payments made to employees during the year. Accordingly, the above accrued liability is not included as a liability on the Balance Sheet as at December 31, 1986.

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To The Members of Council, Inhabitants
and Ratepayers of the Corporation
of the City of Thunder Bay.

We have examined the balance sheet of the Corporation of the City of Thunder Bay Parking Authority as at December 31, 1986 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

Due to its nature, revenue from certain parking meter receipts is not susceptible to independent audit verification and therefore our tests on such revenue were limited to a comparison of receipt records with bank deposits. Accordingly, we were not able to determine whether any adjustments might be necessary to excess of expenditure over revenue.

In our opinion, except for the effects, if any, which we might have determined to be necessary had we been able to satisfy ourselves with respect to certain revenues as explained in the preceding paragraph, these financial statements present fairly the financial position of the Corporation of the City of Thunder Bay Parking Authority as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

PARKING AUTHORITY

BALANCE SHEET — CITY OF THUNDER BAY X-1

as at December 31, 1986

	$	$
ASSETS		
Parking Facilities at Amount of Outstanding Debenture Debt		
North Ward Parking Structure	812,000	
South Ward Parking Structure	1,174,000	1,986,000
LIABILITIES		
Debenture Debt Outstanding		1,986,000

NOTE: A portion of the cost of parking facilities acquired in 1986 and prior years was financed from the City Capital Financing Reserve Fund. It is the present intention to recover these costs from the Parking Facilities Reserve Fund by annual provisions approximately equal to the annual payments that would have been recovered had debentures been issued. The unrecovered balance of this amount as at December 31, 1986 amounted to $1,336,889 and is not included in long-term debt above.

PARKING AUTHORITY

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1986

	1986 $	1985 $
REVENUE		
Parking Meter Receipts and Lot Rental	1,001,539	928,846
Parking Meter Fines	385,574	320,861
City Parking Stickers & Visitors Parking	29,527	27,447
TOTAL REVENUE	1,416,640	1,277,154
EXPENDITURE		
Salaries and Wages	328,924	322,971
Commissionaires	228,004	218,978
Taxes	148,952	144,115
Stationery, Office and General Expense	257,518	247,377
Repairs and Maintenance	99,939	65,025
City Owned Equipment Rental	2,201	2,817
Rent	6,552	5,000
Utilities	49,128	47,823
	1,121,218	1,054,106
Debenture Debt Charges		
Principal	370,000	334,000
Interest	259,445	296,141
	629,445	630,141
Repayment to Capital Financing Reserve Fund	141,524	163,122
TOTAL EXPENDITURE	1,892,187	1,847,369
Excess of Expenditure over Revenue Transferred to Parking Facilities Reserve Fund	(475,547)	(570,215)

PARKING FACILITIES RESERVE FUND

STATEMENT OF CONTINUITY

CITY OF THUNDER BAY

for the year ended December 31, 1986

	$	$
Fund Balance at January 1, 1986		53,077
Add: Contribution from Capital Finance Reserve Fund	31,276	
Contribution from City Revenue Fund	475,547	
Interest Earned on Investments	5,150	511,973
		565,050
Less: Net Parking Facilities Loss From Operations	475,547	
Reseal Floor Victoriaville Parkade	1,732	
Equipment Improving Physical Operation	2,599	
Replace Gate Card Reader at Keskus	13,699	
Engineering Study-Keskus Parkade	10,500	
Printer for Computer	2,746	506,823
Fund Balance at December 31, 1986		58,227

MOUNTAIN VIEW CEMETERY

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY W-2

for the year ended December 31, 1986

	$	$
Revenue		
Sale of Plots		68,733
Less Portion Transferred to the Perpetual Care Fund Capital Account (35% Sale of Plots)		24,056
		44,677
Transfer from the Perpetual Care Fund Income Account (Net Investment Earnings)		56,880
Burial Charges - Opening and Closing		51,982
Miscellaneous Revenue		
Transfer Fees	6	
Non-Resident Fees	2,001	2,007
Provided by Municipality from Tax Levy		124,451
Total Revenue		279,997
Expenditure		
Administration and General		3,015
Maintenance and Care of Buildings, and Grounds (Undeveloped Land)		43,487
Salaries and Benefits		233,495
Total Expenditure		279,997
Surplus (Deficit) for Year		Nil
Surplus (Deficit), January 1, 1986		Nil
Surplus (Deficit), December 31, 1986		Nil

SAINT PATRICK'S CEMETERY

STATEMENT OF REVENUE AND EXPENDITURE — CITY OF THUNDER BAY — W-2

for the year ended December 31, 1986

	$	$
Revenue		
Sale of Plots		240
Less Portion Transferred to the Perpetual Care Fund Capital Account (35% Sale of Plots)		84
		156
Transfer from the Perpetual Care Fund Income Account (Net Investment Earnings)		6,828
Burial Charges - Opening and Closing		7,392
Miscellaneous Revenue		
Transfer Fees	4	
Non-Resident Fees	272	276
Provided by Municipality from Tax Levy		22,890
Total Revenue		37,542
Expenditure		
Maintenance and Care of Buildings and Grounds (Undeveloped Land)		8,132
Salaries and Benefits		29,410
Total Expenditure		37,542
Surplus (Deficit) for Year		Nil
Surplus (Deficit), January 1, 1986		Nil
Surplus (Deficit), December 31, 1986		Nil

AUDITORS' REPORT

To the Mayor and Members of Council
of the City of Thunder Bay.

We have examined the revenue and trust fund balance sheets of Dawson Court Home for the Aged (including its satellite home for the aged, Cumberland Hall) as at December 31, 1986 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

Deposits received from residents of the Homes for the Aged are not susceptible of complete audit verification. Accordingly, we were unable to determine whether any adjustments might be necessary to the amounts shown as deposits received from and due to residents.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the deposits received from and due to residents described in the preceding paragraph, these financial statements present fairly the financial position of the Home as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
March 18, 1987.

Chartered Accountants.
Licence Number 001217.

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)
(An institution governed by the Homes For The Aged and Rest Homes Act)

BALANCE SHEETS

DECEMBER 31, 1986
(with comparative figures at December 31, 1985)

	1986	1985
ASSETS		
Revenue Fund		
Accounts receivable - Province of Ontario	$ 909,373	$ 739,352
- Other	221,311	186,377
	$1,130,684	$ 925,729
Trust Fund		
Cash	$ 510,026	$ 159,200
Deposit receipts	1,800,000	2,100,000
	$2,310,026	$2,259,200
LIABILITIES		
Revenue Fund		
Unexpended donations	$ 1,711	$ 2,496
Due to The City of Thunder Bay	1,128,973	923,233
	$1,130,684	$ 925,729
Trust Fund		
Due to residents	$2,310,026	$2,259,200

(See notes to financial statements)

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985)

	1986	1985
Revenue:		
Resident payments for maintenance	$2,270,246	$2,219,622
City of Thunder Bay - revenue fund	1,053,960	983,054
- reserve for capital	65,896	14,310
Province of Ontario	4,170,275	3,688,372
	$7,560,377	$6,905,358
Expenditure (net of sundry recoveries):		
Residents' social services, activities and comforts	$ 345,943	$ 333,533
Dietary services	1,394,252	1,330,015
Residents' medical - nursing services	3,319,345	3,013,616
Housekeeping services	594,670	567,031
Laundry and linen services	140,273	138,022
Building and property - operation and maintenance	721,738	706,305
General and administrative	740,032	643,546
Approved drugs and pharmaceuticals	79,818	61,855
Physicians' fees	5,738	5,788
Capital expenditures	141,730	39,435
Meals on wheels	26,597	18,643
Staff development	50,241	47,569
	$7,560,377	$6,905,358

(See notes to financial statements)

DAWSON COURT HOME FOR THE AGED
(including its satellite home for the aged, Cumberland Hall)

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Accounting policies

(a) Fund accounting -

The financial statements have been prepared by the Home in accordance with the principles of "fund accounting" that are prescribed by the Ministry of Community and Social Services and the Homes for the Aged and Rest Homes Act and are considered appropriate for Ontario municipal organizations. Under these principles, resources for various purposes are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. Separate accounts are maintained for each fund to ensure observance of the limitations and restrictions placed on the use of resources.

The Revenue Fund is used to account for administrative and operational costs financed by maintenance fees, subsidies from the Province of Ontario and the City of Thunder Bay, and sundry revenue, and the related assets and liabilities.

The Trust Fund is used to account for monies received from and held in trust for the residents of the Home. Interest earned on these funds is recorded on a cash basis.

(b) Fixed assets -

Fixed assets are charged to current expenditures unless financed by long-term debt. Fixed assets are included in the balance sheet only to the extent of the balance of the related net long-term liabilities outstanding at the end of the fiscal year. At December 31, 1986 and 1985 there were no long-term liabilities.

Thorne Ernst & Whinney
Chartered Accountants

Box 726
109-105 N. May Street
Thunder Bay, Ontario, Canada
P7C 4W6

807/623-5575

AUDITORS' REPORT

To the Mayor and Members of Council of the
Corporation of the City of Thunder Bay

We have examined the balance sheet of Grandview Lodge Home for the Aged as at December 31, 1986, and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Home as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst + Whinney

March 25, 1987
Licence No. 1086

Member of Ernst & Whinney International

GRANDVIEW LODGE HOME FOR THE AGED

BALANCE SHEET

	December 31	
	1986	1985
ASSETS		
CURRENT ASSETS		
Cash	$ 1,800	$ 1,800
Grants receivable from Province of Ontario	952,040	943,761
Due from Residents' Trust Fund	36,098	44,027
Other accounts receivable	160,319	139,159
	$1,151,257	$1,128,747
LIABILITIES		
CURRENT LIABILITIES		
Due to City of Thunder Bay	$1,148,453	$1,125,181
Unexpended donations	2,804	3,566
	$1,151,257	$1,128,747

The accompanying notes to the financial statements are an integral part of this financial statement.

GRANDVIEW LODGE HOME FOR THE AGED

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
SOURCES OF FINANCING		
Province of Ontario grants	$4,333,561	$4,176,037
Residents' payments for maintenance	2,162,532	1,961,867
City of Thunder Bay	1,029,540	1,208,671
Other	273,849	225,587
	$7,799,482	$7,372,162
EXPENDITURE		
Residents' social services, activities and comforts	$ 439,958	$ 426,150
Dietary services	1,373,186	1,288,615
Residents' medical, nursing services	3,393,620	3,159,723
Housekeeping services	490,097	464,264
Laundry and linen services	475,028	463,609
Educational services	89,037	81,266
Building and property, operations and maintenance	649,623	611,972
General and administrative	703,026	674,901
Approved drugs and pharmaceuticals	176,696	126,579
Capital expenditures		
Renovations	6,843	272,675
Other	2,368	2,408
	$7,799,482	$7,372,162

The accompanying notes to the financial statements are an integral part of this financial statement.

GRANDVIEW LODGE HOME FOR THE AGED

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

(a) The financial statements of Grandview Lodge Home for the Aged are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of certain assets and liabilities is dependent on future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Purchases of fixed assets are included in expenditure in the year of acquisition.

(c) Trust Funds

Trust funds and their related operations administered by the Home are not consolidated but are reported separately on the Trust Funds statement of continuity and balance sheet. Trust funds represent funds held in trust for the residents of the Home. Interest earned on these funds is recorded on a cash basis.

Thorne Ernst & Whinney
Chartered Accountants

Box 726
109-105 N. May Street
Thunder Bay, Ontario, Canada
P7C 4W6

807/623-5575

AUDITORS' REPORT

To the Mayor and Members of Council of the
Corporation of the City of Thunder Bay

We have examined the balance sheet of the Residents' Trust Fund of Grandview Lodge Home for the Aged as at December 31, 1986 and the statement of continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as described in the following paragraph.

Due to their nature, amounts received by the residents' trust fund on behalf of residents are not susceptible to complete audit verification. Accordingly our verification of such receipts was limited to accounting for the amounts recorded in the records.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to trust fund capital receipts described in the preceding paragraph, these financial statements present fairly the financial position of the trust fund of the Home as at December 31, 1986 and the continuity of trust funds for the year then ended in accordance with accounting principles disclosed in note 1 to these financial statements applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

March 25, 1987
Licence No. 1086

Member of Ernst & Whinney International

GRANDVIEW LODGE HOME FOR THE AGED

RESIDENTS' TRUST FUND

BALANCE SHEET

	December 31 1986	1985
ASSETS		
CURRENT ASSETS		
Cash	$ 235,377	$ 249,064
Term deposits (at face value)	1,800,000	1,750,000
	$2,035,377	$1,999,064
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Due to revenue fund	$ 36,098	$ 44,027
FUND BALANCE	1,999,279	1,955,037
	$2,035,377	$1,999,064

STATEMENT OF CONTINUITY

	Year Ended December 31 1986	1985
BALANCE AT BEGINNING OF YEAR	$1,955,037	$1,599,991
Capital receipts		
Residents' deposits (withdrawals) net	(118,200)	199,646
Interest earned	162,442	155,400
	44,242	355,046
BALANCE AT END OF YEAR	$1,999,279	$1,955,037

GRANDVIEW LODGE HOME FOR THE AGED

RESIDENTS' TRUST FUND

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICY

Basis of Accounting

Revenues are accounted for on the cash basis.

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To the Board of Management
for the Thunder Bay North
Downtown Improvement Area.

We have examined the balance sheet of the Thunder Bay North Downtown Improvement Area as at December 31, 1986 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Improvement Area Board as at December 31, 1986 and the results of its operations for the year then ended applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

BOARD OF MANAGEMENT FOR THE
THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA

BALANCE SHEET

as at December 31, 1986

	1986	1985
	$	$
ASSETS		
Under-levy to be Recovered from Future Tax Levies	6,230	5,643
LIABILITIES		
Due to City of Thunder Bay	6,230	5,643

BOARD OF MANAGEMENT FOR THE
THUNDER BAY NORTH DOWNTOWN IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1986

	1986	1985
	$	$
Revenue		
Taxes Levied Including Supplementary Taxes of $8,572 ($8,989 in 1985)	94,215	95,494
Less: Taxes Written Off	(7,807)	(11,810)
	86,408	83,684
Contribution from City of Thunder Bay	36,341	73,404
	122,749	157,088
Expenditure		
Advertising and Promotion	10,154	5,622
Consulting	7,418	26,507
Construction Costs	65,264	117,045
Moving Expenses	-	1,967
Office Furniture	1,676	-
Salaries and Benefits	32,696	2,821
Travel	759	-
Other	5,369	2,264
	123,336	156,226
Excess of Expenditure over Revenue	587	(862)
Under-levies Beginning of Year	5,643	6,505
Under-levies End of Year to be Recovered from Future Levies	6,230	5,643

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To the Board of Management
for the Victoriaville Business
Improvement Area.

We have examined the balance sheet of the Victoriaville Business Improvement Area as at December 31, 1986 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Improvement Area Board as at December 31, 1986 and the results of its operations for the year then ended applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 19[illegible].

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

BOARD OF MANAGEMENT FOR THE
VICTORIAVILLE BUSINESS IMPROVEMENT AREA

BALANCE SHEET

as at December 31, 1986

	1986	1985
	$	$
ASSETS		
Due from City of Thunder Bay	-	42,891
LIABILITIES		
Over-levy to be Used in a Future Year	-	42,891

BOARD OF MANAGEMENT FOR THE
VICTORIAVILLE BUSINESS IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1986.

	1986	1985
	$	$
Revenue		
Taxes Levied Including Supplementary Taxes of $4,664 ($5,951 in 1985)	104,664	55,951
Less: Taxes Written Off	(5,082)	(3,929)
	99,582	52,022
Contribution from City of Thunder Bay	86,651	-
	186,233	52,022
Expenditure		
Advertising and Promotion	20,684	1,340
Consulting	116,894	6,962
Construction	89,937	-
Other	1,609	829
	229,124	9,131
Excess of Revenue over Expenditure	(42,891)	42,891
Over-levy Beginning of Year	42,891	-
Over-levy End of Year to be Used in Future Year	-	42,891

ACCOUNTANT'S COMMENTS

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

ACCOUNTANTS' REPORT

Our examination of the financial statements of the Corporation of the City of Thunder Bay for the year ended December 31, 1986 was made for the purpose of forming an opinion on the consolidated financial statements and trust funds statement of continuity and balance sheet referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Thunder Bay dated April 13, 1987.

The supplementary information identified in the index is provided for purposes of additional analysis and is not a required part of the basic financial statements referred to above.

We have, however, performed the following procedures in connection with the supplementary information as identified for the year ended December 31, 1986:

(a) We have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement.

(b) We have added and cross-added all schedules.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the basic financial statements and accordingly we do not express an opinion on the fair presentation of the information referred to above.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

for the year ended December 31, 1986

	1986 Budget	1986 Actual	1985 Actual
	$	$	$
Accumulated Net Revenue (Deficit) at the Beginning of Year	5,940,240	5,977,721	7,882,276
Expenditure			
General Government	7,765,903	7,543,445	7,513,097
Protection to Persons and Property	24,180,758	24,909,273	24,573,778
Transportation Services	25,482,144	24,283,686	23,399,362
Environmental Services	17,036,357	15,646,281	15,237,520
Health Services	1,151,411	1,138,328	1,253,472
Social and Family Services	27,843,457	28,058,612	25,360,910
Recreation and Cultural Services	17,230,687	17,572,468	16,823,117
Planning and Development	3,060,503	3,083,955	2,823,698
	123,751,220	122,236,048	116,984,954
Revenue			
Taxation	45,166,200	45,329,605	42,426,214
Payments in Lieu of Taxes	4,070,600	4,114,641	3,868,712
Ontario Grants	46,204,390	47,136,287	44,702,969
Government of Canada Grants	12,500	217,549	78,321
Other Municipal Grants	23,000	48,204	17,124
Fees and Service Charges	21,136,700	20,815,864	19,805,573
Other	3,695,200	3,907,262	4,181,486
	120,308,590	121,569,412	115,080,399
Accumulated Net Revenue (Deficit) at End of Year	2,497,610	5,311,085	5,977,721
Analyzed as Follows:			
General Revenue		965,211	3,070,289
Special Charges	501,293	544,329	501,293
Special Areas		1,154,262	204,914
Local Boards	95,370	9,278	117,930
Municipal Enterprises-Waterworks	1,900,947	2,644,235	2,046,047
Business Improvement Area		(6,230)	37,248
	2,497,610	5,311,085	5,977,721

STATEMENT OF CAPITAL OPERATIONS — CITY OF THUNDER BAY 2

for the year ended December 31, 1986

	1986 Actual	1985 Actual
	$	$
Unfinanced Capital Outlay (Unexpended Capital Financing) at the beginning of the Year	(2,677)	(1,875,009)
Capital Expenditure		
General Government	960,372	301,632
Protection to Persons and Property	4,907,521	3,097,321
Transportation Services	5,892,950	6,292,415
Environmental Services	1,803,326	2,354,496
Social and Family Services	356,370	465,022
Recreation and Cultural Services	3,117,655	7,947,557
Planning and Development	629,970	1,062,340
Total Expenditure	17,668,164	21,520,783
Capital Financing		
Contributions From the Revenue Fund	5,263,123	6,343,990
Contributions From Reserve Fund and Reserves	4,706,669	4,484,557
Long Term Liabilities Incurred	2,817,000	-
Ontario Grants	4,187,636	5,341,669
Other	2,331,116	3,478,235
Total Capital Financing	19,305,544	19,648,451
Unfinanced Capital Outlay (Unexpended Capital Financing) at the End of the Year	(1,640,057)	(2,677)

ANALYSIS OF REVENUE FUND EXPENDITURES

for the year ended December 31, 1986

	Gross Expenditure	Less Appropriations to Own Funds: Capital Fund	Reserve Fund	Reserves	Net Expenditure
General Government	7,543,445	253,748	904,004	7,953	6,377,740
Protection to Persons and Property					
Fire	10,531,893	295,444		19,644	10,216,805
Police	12,997,132	267,275	3,500		12,726,357
Conservation Authority	276,184				276,184
Protective Inspection & Control	1,009,936	3,074		1,600	1,005,262
EMO and Flood Control	94,128				94,128
	24,909,273	565,793	3,500	21,244	24,318,736
Transportation Services					
Roadways	9,593,397	1,557,266	1,046,221	19,578	6,970,332
Winter Control	2,138,749	53,197			2,085,552
Transit	9,176,260	93,690		170,223	8,912,347
Parking	1,923,463		172,800		1,750,663
Street Lighting	1,136,814	277,060	15,479		844,275
Unclassified	315,003	83,094	1,821	46,800	183,288
	24,283,686	2,064,307	1,236,321	236,601	20,746,457
Environmental Services					
Sanitary Sewer System	5,449,739	29,263	389,236		5,031,240
Storm Sewer System	1,194,126	347,938		150,000	696,188
Waterworks System	6,321,480	427,411	66,770		5,827,299
Garbage Collection	1,943,308	57,620		15,692	1,869,996
Garbage Disposal	722,242	82,803			639,439
Pollution Control	15,386				15,386
	15,646,281	945,035	456,006	165,692	14,079,548
Health Services					
Public Health Services	733,844				733,844
Hospitals	86,945				86,945
Cemeteries	317,539				317,539
	1,138,328				1,138,328
Social and Family Services					
General Assistance	9,023,287	42,693			8,980,594
Assistance to Aged Persons	16,234,307	27,231	345,100	12,943	15,849,033
Assistance to Children	848,432				848,432
Day Nurseries	1,597,145	29,614			1,567,531
Assistance to Physically Disabled	355,441				355,441
	28,058,612	99,538	345,100	12,943	27,601,031
Recreation and Cultural Services					
Parks and Recreation	12,506,361	1,225,192	393,259	53,300	10,834,610
Libraries	3,753,763	49,388		34,040	3,670,335
Other Cultural	1,312,344	9,025			1,303,319
	17,572,468	1,283,605	393,259	87,340	15,808,264
Planning and Development					
Planning and Zoning	1,251,366	7,600		3,700	1,240,066
Commercial and Industrial	1,626,215	43,497	28,454	18,500	1,535,764
Residential Development	200,000				200,000
Agriculture and Reforestation	150				150
South Core Revitalization	6,224				6,224
	3,083,955	51,097	28,454	22,200	2,982,204
Total	122,236,048	5,263,123	3,366,644	553,973	113,052,308

CONTINUITY OF TAXES RECEIVABLE

for the year ended December 31, 1986

	$
Balance at the Beginning of the year	3,458,190
Additions During the Year	
Taxation	83,980,735
Amounts Added to Tax Bills for Collection Purposes Only	12,279
Penalties and Interest	581,676
Taxes Transferred from Tax Registration	118,609
Total Additions	84,693,299
Reductions During the Year	
Collection of Taxes	
Current Year	80,807,211
Previous Years	2,326,968
Penalties and Interest	539,509
Taxes Transferred to Tax Registration Account	41,275
Taxes Written Off	
General Purposes	492,258
Charged to School Boards	386,448
Total Reductions	84,593,669
Balance at the End of the Year	3,557,820
Deduct: Allowance for Uncollectible Taxes	(311,462)
Net Balance at the End of the Year	3,246,358

ANALYSIS OF THE BALANCE AT THE END OF THE YEAR BY YEAR

Taxes Unpaid from 1986	2,496,630
1985	748,356
Prior Years	110,837
Penalties and Interest	201,997
Total	3,557,820

STATEMENT OF CONTINUITY OF RESERVE FUNDS

CITY OF THUNDER BAY 3-4

for the year ended December 31, 1986

	Total	Capital Financing	Capital Expenditure	Sewage Treatment Plant Contingency	McVicars Creek	Subdivision Deposit for Public Purposes	Parking Revenue	Stabilization of Foreign Exchange
	$	$	$	$	$	$	$	$
Balance at Beginning of Year	26,168,142	2,811,302	5,241,691	771,401	147,107	1,383,300	53,077	675,246
Revenue								
Interest Earned	2,427,913	339,470		95,976	12,809	107,000	5,150	39,586
Contribution from Revenue Fund	3,633,897	149,218	2,224,492				475,547	259,000
Contribution from Revenue Fund - Waterworks	66,770	33,183						33,587
Contribution from Parking Facility Reserve Fund	141,524	141,524						
Contribution from Community Auditorium	59,747	59,747						
Contribution from Telephone	64,382							64,382
Contribution from Hydro	84,302							84,302
Contribution from Developers	86,060					86,060		
Provincial Grant	17,800							
Group Life Insurance Rebate	91,584							
Volunteer Donations	26,000							
	6,699,979	723,142	2,224,492	95,976	12,809	193,060	480,697	480,857
Expenditure								
Contribution to Capital Fund for Capital Expenditures	3,876,530	640,771	3,034,723			194,407		
Transfer to Revenue Fund	20,000		20,000					
Repayment of Provincial Loan	14,333				14,333			
Exchange on U.S. Debentures	393,397							393,397
Transfer to Capital Financing Reserve Fund	141,524						141,524	
Parking Authority Expenditure - Net	334,023						334,023	
Transfer to Library Reserve	124,082							
Consulting Fee re Self Insurance	5,000							
	4,908,889	640,771	3,054,723		14,333	194,407	475,547	393,397
Balance at End of Year	27,959,232	2,893,673	4,411,460	867,377	145,583	1,381,953	58,227	762,706

STATEMENT OF CONTINUITY OF RESERVE FUNDS

for the year ended December 31, 1986

	Community Centres	Golf Course Improvements	Benefit Rate Stabilization Reserve Fund	Debenture Redemption Reserve Fund	Fire Collision & Compensation	Sick Pay Liability Reserve Fund	Library Capital Expenditure	M.O.E. Contingency
	$	$	$	$	$	$	$	$
Balance at Beginning of Year	40,186		994,482	4,560,067	4,776,737	4,459,790	124,082	129,674
Revenue								
Interest Earned	3,401		104,152	526,371	612,784	566,830		14,384
Contribution from Revenue Fund		25,640			500,000			
Contribution from Revenue Fund - Waterworks								
Contribution from Parking Facility Reserve Fund								
Contribution from Community Auditorium								
Contribution from Telephone								
Contribution from Hydro								
Contribution from Developers								
Provincial Grant	17,800							
Group Life Insurance Rebate			91,584					
Volunteer Donations	26,000							
	47,201	25,640	195,736	526,371	1,112,784	566,830		14,384
Expenditure								
Contribution to Capital Fund for Capital Expenditures	6,629							
Transfer to Revenue Fund								
Repayment of Provincial Loan								
Exchange on U.S. Debentures								
Transfer to Capital Financing Reserve Fund								
Parking Authority Expenditure - Net								
Transfer to Library Reserve							124,082	
Consulting Fee re Self Insruance			5,000					
	6,629		5,000				124,082	
Balance at End of Year	80,758	25,640	1,185,218	5,086,438	5,889,521	5,026,620		144,058

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AUDITORS' REPORT

To the Chairman and Members of the Board
Thunder Bay District Health Unit

We have examined the balance sheet of the Thunder Bay District Health Unit as at December 31, 1986 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Health Unit as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Thorne Ernst & Whinney

January 27, 1987
Licence No. 1086

Member of Ernst & Whinney International

THUNDER BAY DISTRICT HEALTH UNIT

BALANCE SHEET

	December 31 1986	1985
ASSETS		
Unrestricted		
Cash	$ 59,558	$ 11,372
Accounts receivable (note 2)	25,579	8,454
Due from Province of Ontario (note 3)	128,187	366,501
Due from reserve fund	-	5,147
	213,324	391,474
Restricted		
Cash	5,387	5,046
Bank term deposits, maturing 1989-1991	70,000	70,000
Accrued interest receivable	4,403	1,300
	79,790	76,346
Less amount due to revenue fund	-	5,147
	79,790	71,199
	$293,114	$462,673
LIABILITIES		
Bank indebtedness	$ 79,075	$216,297
Accounts payable and accrued liabilities	64,474	92,455
	143,549	308,752
FUND BALANCES AT END OF YEAR		
To be applied against municipal contributions in subsequent year (note 5)	12,140	18,994
Unexpended capital financing (note 5)	38,375	60,498
Reserve (note 6)	19,260	3,230
Reserve funds (note 6)	79,790	71,199
	149,565	153,921
	$293,114	$462,673

COMMITMENT (note 9)
CONTINGENCY (note 10)

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
SOURCES OF FINANCING		
Province of Ontario grants		
Share of net cost of operation	$1,981,473	$1,952,876
Unorganized area service income	133,029	143,632
N.O.P.H.S. area service income	147,049	113,082
Infant Nutrition Project	-	4,658
Family planning program	151,924	146,737
Genetic counselling program	35,477	32,341
Speech pathology program	108,756	114,835
VD Clinic	11,539	9,901
Capital grants	84,015	1,465,138
	2,653,262	3,983,200
Municipal levies	671,875	771,600
Interest earned	24,535	75,068
Student program - Challenge '86	4,944	6,840
Miscellaneous	3,156	3,376
Donations	-	10,693
	3,357,772	4,850,777
FUND BALANCES AT BEGINNING OF YEAR		
To be applied against municipal contributions	18,994	19,690
Unexpended capital financing	60,498	607,917
	79,492	627,607
Total financing available during the year	$3,437,264	$5,478,384

	Year Ended December 31 1986	1985
APPLIED TO		
Current operations		
Personal services	$2,727,369	$2,531,341
Travel	183,852	180,832
Materials and supplies	68,308	63,803
Rent and utility services	118,313	122,031
Other expenses	128,828	129,963
	3,226,670	3,027,970
Capital expenditures		
Equipment	24,100	180,162
Building	111,358	2,188,381
	135,458	2,368,543
Net appropriations to reserve and reserve funds (note 7)	24,621	2,379
FUND BALANCES AT END OF YEAR (note 5)		
To be applied against municipal contributions in subsequent year	12,140	18,994
Unexpended capital financing	38,375	60,498
	50,515	79,492
Total applications during the year	$3,437,264	$5,478,384

The accompanying notes to the financial statements are an integral part of this financial statement.

THUNDER BAY DISTRICT HEALTH UNIT

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

(a) Financial Statement Presentation

These statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of the Board.

All inter-fund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Board and the resulting interest income and expenditures.

(b) Basis of Accounting

(i) Sources of financing and expenditures are reported on the accrual basis of accounting.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) The historical cost and accumulated depreciation of fixed assets are not reported for the Board's purposes. Fixed assets are reported as an expenditure on the statement of operations in the year of acquisition.

(iv) Any surplus (deficit) of the revenue fund is applied against contributions required from participating municipalities in the subsequent year on the basis of the current year's sharing ratio.

(c) Reserve Fund for Municipal Portion of Severance Plan Allowances

Personnel policies p.ovide that unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Health Unit's employment. A reserve fund has been accumulated to provide funds to meet the municipal portion of such payments. The balance of such payments will be recovered from the Province of Ontario in the year of termination.

2. ACCOUNTS RECEIVABLE

Included in accounts receivable is a $17,000 note receivable from the executive officer. This note is non-interest bearing and is secured by a demand promissory note.

3. DUE FROM (TO) PROVINCE OF ONTARIO

(a) Capital fund

	1986	1985
Building project	$ -	$126,083
(b) Revenue fund		
General programs and unorganized area services	130,320	205,956
Family planning	16,019	(7,792)
Speech pathology	(15,743)	9,913
Genetic counselling program	(2,409)	32,341
	$128,187	$366,501

4. RESERVE FUNDS

Transactions in the reserve funds were as follows:

	1986	1985
Balance at beginning of year	$ 71,199	$ 68,820
Provision from revenue fund	2,950	500
Interest earned by fund	9,664	7,526
	12,614	8,026
Municipal portion of severance plan payments	4,023	5,647
Balance at end of year	$ 79,790	$ 71,199

5. MUNICIPAL FUND BALANCES AT END OF YEAR

The balances on the statement of operations of the Board's equity of $50,515 (1985, $79,492) at the end of the year are comprised of the following:

	1986	1985
- to be applied to operations of the operating fund for the following year	$ 12,140	$ 18,994
- funds available for acquisition of fixed assets	38,375	60,498
	$ 50,515	$ 79,492

6. RESERVES AND RESERVE FUNDS

The total balances of reserves and reserve funds of $19,260 (1985, $3,230) and $79,790 (1985, $71,199) respectively, are made up of the following:

	1986	1985
Reserve set aside for specific purpose by the Board		
- capital fund contingencies	$ 19,260	$ 3,230
Reserve funds set aside for specific purpose by the Board		
- for severance plan allowance	$ 76,840	$ 71,199
- for retirement plan allowance	2,950	-
Total reserve funds	$ 79,790	$ 71,199

7. NET APPROPRIATIONS TO RESERVE AND RESERVE FUNDS

	1986	1985
Provision for retirement plan allowance	$ 2,950	$ -
Provision for capital fund contingencies	16,030	-
Provision for municipal portion of severance plan allowance	-	500
Interest earned	9,664	7,526
	28,644	8,026
Municipal portion of severance plan payments	4,023	5,647
	$ 24,621	$ 2,379

8. FIXED ASSETS

At December 31, 1986 the historical cost of fixed assets not reported for the Board's purposes (note 1(b)(iii)) was as follows:

	1986	1985
Land	$ 114,920	$ 114,920
Buildings	2,697,247	2,585,890
Equipment	245,346	225,691
	$3,057,513	$2,926,501

9. COMMITMENT

As at December 31, 1986, commitments in connection with the installation of an elevator amounted to approximately $41,231. Total cost of the project is estimated at approximately $43,516 which is to be financed by the Province of Ontario and the municipalities.

10. CONTINGENCY

The Thunder Bay District Health Unit is one of several defendants in a lawsuit claiming damages of approximately $45,000,000 relating to an immunization procedure carried out in 1981. The litigation is in its preliminary stages and the outcome is not currently determinable. The Health Unit has insurance coverage in the amount of $5,000,000 to cover its portion of any successful settlement with respect to this action.

11. PERSONAL SERVICES

Expenditure for personal services includes an amount of $16,093 (1985, $23,089) for severance plan allowances, as follows:

	1986	1985
Provision for reserve fund for municipal portion of severance plan allowances	$ -	$ 500
Severance plan payments	16,093	22,589
	$16,093	$23,089

12. COMPARATIVE FIGURES

Certain 1985 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1986.

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Chartered Accountants

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Thunder Bay District Health Unit
Thunder Bay, Ontario

The audited financial statements of the Health Unit and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position and results of operations of the Health Unit. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Thorne Ernst & Whinney

January 27, 1987
Licence No. 1086

Member of Ernst & Whinney International

THUNDER BAY DISTRICT HEALTH UNIT

SCHEDULE OF PROGRAM EXPENDITURES

	General programs	Family planning programs	Genetic counselling programs	Speech pathology programs	N.O.P.H.S.	Year Ended December 31 Total 1986	Total 1985
PERSONAL SERVICES							
Medical officer	$ 81,505	$ -	$ -	$ -	$ -	$ 81,505	$ 76,173
Medical staff, part-time	8,052	14,562	3,600	-	-	26,214	25,178
Nursing	1,081,561	95,809	21,529	-	21,039	1,219,938	1,142,624
Public health inspection	286,488	-	-	-	28,965	315,453	295,771
Dental	140,236	-	-	-	1,316	141,552	132,186
Health promotion and librarian	94,948	-	-	-	-	94,948	68,087
Nutritionist	32,656	-	-	-	389	33,045	31,774
Speech pathologist	-	-	-	56,010	-	56,010	57,743
Administration	372,061	5,815	-	16,491	27,267	421,634	391,279
Board members	2,775	-	-	-	-	2,775	3,175
Fringe benefits	286,962	8,634	1,180	9,639	11,787	318,202	284,761
Severance plan allowances	16,093	-	-	-	-	16,093	22,590
	2,403,337	124,820	26,309	82,140	90,763	2,727,369	2,531,341
TRAVEL							
Staff	122,854	3,828	4,962	6,119	32,364	180,127	175,977
Board members	3,725	-	-	-	-	3,725	4,855
	136,579	3,828	4,962	6,119	32,364	183,852	180,832
MATERIALS AND SUPPLIES							
Office and postage	33,969	460	76	2,012	73	36,590	34,512
Health promotion	1,918	-	-	-	-	1,918	2,790
Medical, nursing, speech program, genetic counselling	6,812	6,222	469	1,073	216	14,792	14,072
Dental	12,063	-	-	-	-	12,063	10,184
Health inspection	2,945	-	-	-	-	2,945	2,245
	57,707	6,682	545	3,085	289	68,308	63,803
RENT, MAINTENANCE AND UTILITY SERVICES							
Electric heat, lights, water	33,593	-	-	-	-	33,593	7,429
Maintenance, snow removal	14,381	-	-	-	-	14,381	1,800
Janitorial services and supplies	16,082	-	-	-	-	16,082	2,905
Branch offices	14,773	-	-	6,792	-	21,565	27,230
Telephone	31,160	-	-	1,532	-	32,692	29,707
Outside services	-	-	-	-	-	-	52,960
	109,989	-	-	8,324	-	118,313	122,031
OTHER EXPENSES							
Conventions and courses	26,109	1,503	511	1,027	-	29,150	22,810
Professional fees	12,365	-	-	-	-	12,365	21,131
Insurance	15,453	-	-	-	-	15,453	13,742
Advertising	4,472	95	-	1,187	-	5,754	4,737
Maintenance and repairs	12,994	-	-	785	-	13,779	11,694
Subscriptions and publications	7,991	-	-	-	-	7,991	6,559
Films	2,071	457	-	-	-	2,528	1,135
Bank service charges	1,032	-	-	-	-	1,032	7
Data processing	29,261	-	-	-	-	29,261	29,464
Accreditation fees	3,225	-	-	-	-	3,225	1,825
Miscellaneous	9,290	-	-	-	-	9,290	10,657
Moving	-	-	-	-	-	-	5,202
	123,263	2,055	511	2,999	-	128,828	129,963
Allocated costs	(42,810)	13,650	2,637	5,819	20,704	-	-
Total expenditures	$2,788,065	$151,035	$34,964	$108,486	$144,120	$3,226,670	$3,027,970

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AUDITORS' REPORT

To the Chairman and Members of
The Hydro-Electric Commission of Thunder Bay

We have examined the balance sheet of The Hydro-Electric Commission of Thunder Bay as at December 31, 1986 and the statements of operations, equity and changes in cash position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1986 and the results of its operations and the changes in its cash position for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

April 3, 1987

Thorne Ernst & Whinney
Chartered Accountants

Clarkson Gordon
Chartered Accountants

Member of Ernst & Whinney International

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

BALANCE SHEET

	December 31 1986	1985
ASSETS		
FIXED ASSETS		
Land	$ 152,482	$ 152,481
Buildings	3,573,305	3,549,688
Transformation equipment	3,656,233	3,577,263
Distribution equipment	38,328,425	34,741,247
Hot water heaters	1,024,324	788,071
Rolling stock	1,483,822	1,265,263
General office equipment	951,751	811,433
Other equipment	477,514	468,366
	49,647,856	45,353,812
Less accumulated depreciation	18,311,864	16,742,837
	31,335,992	28,610,975
Construction in progress	182,603	260,693
	31,518,595	28,871,668
CURRENT ASSETS		
Cash	3,791,652	5,432,573
Investments (note 2)	2,925,270	2,000,000
Accounts receivable	2,745,913	2,794,588
Unbilled revenue	4,433,243	4,510,398
Accrued interest receivable	155,815	66,474
Stores inventory	1,533,935	1,439,087
Prepaid expenses	62,341	12,870
	15,648,169	16,255,990
DEFERRED CHARGES		
Unamortized debt discount	19,723	21,673
Unamortized past service pension cost	882,296	993,659
	902,019	1,015,332
EQUITY IN THE ONTARIO HYDRO SYSTEM (note 3)	41,250,511	38,761,304
	$89,319,294	$84,904,294

	December 31 1986	1985
LIABILITIES AND EQUITY		
LONG-TERM DEBT		
Long-term liabilities financed by the municipality (note 4)	$ 1,844,000	$ 1,954,000
Past service pension liability (note 5)	882,296	993,659
	2,726,296	2,947,659
Less current portion of long-term debt (notes 4 and 5)	240,272	221,364
	2,486,024	2,726,295
CURRENT LIABILITIES		
Accounts payable	4,579,839	4,843,974
Accrued wages	64,095	223,752
Accrued interest payable	8,195	8,700
Accrued employees' sick leave credits	41,615	39,917
Customer deposits	272,590	180,280
Current portion of long-term debt	240,272	221,364
	5,206,606	5,517,987
DEFERRED CREDIT		
Contributions in aid of construction (note 6)	2,237,105	1,572,425
RESERVE FOR EQUITY IN THE ONTARIO HYDRO SYSTEM	41,250,511	38,761,304
EQUITY	38,139,048	36,326,283
	$89,319,294	$84,904,294

Accrued vacation pay (note 11)
Contingent liability (note 12)

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF OPERATIONS

	Year Ended December 31 1986	1985
Revenues from the sale of energy (note 7)	$50,818,541	$48,272,046
Cost of bulk power purchased	43,274,790	41,128,323
Gross margin on energy sales	7,543,751	7,143,723
Other operating revenue (note 8)	1,359,973	1,317,135
	8,903,724	8,460,858
Operating and maintenance expenses		
Distribution system	1,224,685	1,012,079
Customer premises	185,194	199,267
Meters and devices	215,086	221,242
Line transformers	196,304	149,231
Substations	814,852	702,954
	2,636,121	2,284,773
Administrative expenses		
Billing and collecting	1,235,537	1,303,407
General	849,314	808,968
Customer information and services	407,819	299,683
	2,492,670	2,412,058
Depreciation (note 9)	1,858,242	1,646,474
Amortization of contributions in aid of construction (note 6)	(87,257)	(57,180)
	1,770,985	1,589,294
	6,899,776	6,286,125
NET OPERATING INCOME BEFORE FINANCIAL EXPENSE	2,003,948	2,174,733
Financial expense		
Interest on long-term debt	265,175	283,184
Foreign exchange	83,651	68,500
	348,826	351,684
NET INCOME	$ 1,655,122	$ 1,823,049
APPROPRIATION FOR		
Debt retirement	$ 110,000	$ 101,000
Accumulated net income invested in plant or held as working capital	1,545,122	1,722,049
	$ 1,655,122	$ 1,823,049

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF EQUITY

	Year Ended December 31 1986	1985
ACCUMULATED FROM CAPITAL SOURCES		
Long-term debt paid		
Balance at beginning of year	$ 4,597,262	$ 4,496,262
Appropriated from net income	110,000	101,000
Balance at end of year	4,707,262	4,597,262
Contributions in aid of construction prior to 1980	4,646,254	4,646,254
	9,353,516	9,243,516
ACCUMULATED NET INCOME		
Balance at beginning of year	27,082,767	25,244,724
Appropriated from net income	1,545,122	1,722,049
Increase in rehabilitation reserve, Thunder Bay Hydro building (note 10)	157,643	115,994
	28,785,532	27,082,767
	$38,139,048	$36,326,283

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

STATEMENT OF CHANGES IN CASH POSITION

	Year Ended December 31 1986	1985
CASH PROVIDED BY (USED FOR):		
OPERATIONS		
Net income	$ 1,655,122	$ 1,823,049
Rental income (note 10)	157,643	115,994
Add charges to operations not requiring a current cash payment		
Depreciation (note 9)	2,035,029	1,808,931
Amortization of debenture debt discount	1,950	1,950
Amortization of contributions in aid of construction	(87,257)	(57,180)
	3,762,487	3,692,744
Net change in non-cash operating working capital (note 13)	(438,119)	431,804
	3,324,368	4,124,548
INVESTMENTS		
Additions to fixed assets, net	(4,681,956)	(4,231,704)
FINANCING		
Contributions in aid of construction (note 6)	751,937	553,424
Reduction in long-term debt, net of change in unamortized past service pension cost	(110,000)	(101,000)
	641,937	452,424
NET INCREASE (DECREASE) IN CASH POSITION DURING YEAR	(715,651)	345,268
Cash position at beginning of year	7,432,573	7,087,305
CASH POSITION AT END OF YEAR	$ 6,716,922	$ 7,432,573
Represented by		
Cash	$ 3,791,652	$ 5,432,573
Investments	2,925,270	2,000,000
	$ 6,716,922	$ 7,432,573

The accompanying notes to the financial statements are an integral part of this financial statement.

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles prescribed for municipal electrical utilities in Ontario.

Fixed Assets and Depreciation

Fixed assets are stated at cost.

Depreciation is provided on an annual basis on the various categories of fixed assets, except for land and construction in progress, as follows:

(a) General plant and the Thunder Bay Hydro building
Depreciation is provided on the straight-line basis at rates varying from 1.67% to 4%.

(b) Other fixed assets
Depreciation is provided on the straight-line basis at rates varying from 10% to 20%.

Stores Inventory

Stores inventory is valued at average cost.

Investments

Investments are stated at the lower of cost and market value.

Unamortized Debenture Debt Discount

Debenture discount and expenses are being amortized over the period of the related debenture principal repayment.

Unamortized Past Service Pension Cost

The deferred charge for past service pension cost is being amortized in annual amounts equal to the principal reduction of the related liability.

Contributions in Aid of Construction

In certain cases, non-refundable contributions are received in aid of construction or in acquisition of fixed assets. Amortization of these contributions is calculated at the same rates as for the fixed assets to which they relate.

Unbilled Revenue

Unbilled revenue represents energy which has been used by Hydro customers but which will not be billed until the subsequent year.

1. ACCOUNTING POLICIES (Continued)

Income Recognition

Results of operations of the Thunder Bay Hydro building operations are not included in the statement of operations but are included directly in the statement of equity.

2. INVESTMENTS

Investments, (with a face value of $3,000,000), consist of bank term deposits and treasury bills, maturing within 12 months, bearing interest at 8.33% to 11.30% (1985, 9.00% to 9.50%).

3. EQUITY IN THE ONTARIO HYDRO SYSTEM

Equity in the Ontario Hydro system, shown at $41,250,511 (1985, $38,761,304), is in accordance with latest available information from Ontario Hydro.

4. LONG-TERM LIABILITIES FINANCED BY THE MUNICIPALITY

The debt of $1,844,000 is payable in varying amounts during the years 1986 to 1997.

Included in the long-term liabilities financed by the municipality is an amount of $1,322,000 (1985, $1,405,000) payable in United States dollars. If the liability had been translated into Canadian dollars at the exchange rate prevailing at December 31, 1986, the liability would be increased by $503,000 (1985, $553,000).

The principal amounts payable to maturity are as follows:

	7 3/4% - 9 3/8%	9 1/2% - 10 1/2%	Total
1987	$ 29,000	$ 91,000	$ 120,000
1988	32,000	99,000	131,000
1989	35,000	109,000	144,000
1990	38,000	120,000	158,000
1991	42,000	132,000	174,000
1992-1997	346,000	771,000	1,117,000
	$522,000	$1,322,000	$1,844,000

5. PAST SERVICE PENSION LIABILITY

The Commission has enterec into an agreement to provide past service pension benefits to its employees. The principal outstanding at December 31, 1986 is $882,296 (1985, $993,659) and is being funded by annual instalments of $190,856, including interest, until 1992. The amount of the annual payment is subject to a triennial review of the plan, with the last review occurring in 1983.

Principal due over the term of the agreement is as follows:

1987	$120,272
1988	129,894
1989	140,286
1990	151,509
1991	163,629
1992	176,706
	$882,296

6. CONTRIBUTIONS IN AID OF CONSTRUCTION

	1986	1985
Balance, January 1	$ 1,572,425	$ 1,076,181
Contributions from the City of Thunder Bay	223,219	156,609
Contributions from commercial customers	576,205	417,413
Contributions deferred	(47,487)	(20,598)
	751,937	553,424
Amortization	(87,257)	(57,180)
Balance, December 31	$ 2,237,105	$ 1,572,425

7. REVENUES FROM THE SALE OF ENERGY

	1986	1985
Commercial and industrial	$30,425,127	$28,606,958
Residential	19,868,187	18,960,689
Municipal street lighting	602,382	580,435
Unbilled revenue adjustment	(77,155)	123,964
	$50,818,541	$48,272,046

8. OTHER OPERATING REVENUE

	1986	1985
Water heater rentals	$ 213,090	$ 173,593
Pole line rentals	149,739	149,739
Interest earned	549,630	602,276
Sundry earnings	447,514	391,527
	$ 1,359,973	$ 1,317,135

9. DEPRECIATION

Depreciation provided during the year consists of:

	1986	1985
Depreciation of general plant	$ 1,677,400	$ 1,518,511
Depreciation of hot water heaters	69,644	39,658
Depreciation of office and data processing equipment	111,198	88,305
	1,858,242	1,646,474
Depreciation of other fixed assets, included in relevant expense categories in the Statement of Operations	139,232	125,054
Depreciation of Thunder Bay Hydro building included in the Schedule of Thunder Bay Hydro Building Operations	37,555	37,403
	$ 2,035,029	$ 1,808,931

10. REHABILITATION RESERVE, THUNDER BAY HYDRO BUILDING

	1986	1985
Balance, January 1	$ 674,469	$ 558,475
Rental income	157,643	115,994
Balance, December 31	$ 832,112	$ 674,469

The rehabilitation reserve, Thunder Bay Hydro building represents the accumulated net income derived from the rental operations of the Thunder Bay Hydro building.

11. ACCRUED VACATION PAY

No provision has been made in these financial statements for accrued vacation pay of $438,591 (1985, $429,094).

12. CONTINGENT LIABILITY

The Hydro-Electric Commission of Thunder Bay purchased a sub-transmission line from Ontario Hydro in 1972. While it is the understanding of the Commission that the purchase price included the land on which the line is situated, Ontario Hydro is claiming title to the land. This matter is presently being handled by the solicitors and any financial consequence resulting from the outcome of the dispute is not determinable at this time.

13. CHANGE IN NON-CASH OPERATING WORKING CAPITAL

	1986	1985
Accounts receivable	$ 48,675	$ (87,300)
Unbilled revenue	77,155	(633,136)
Accrued interest receivable	(89,341)	43,774
Stores inventory	(94,848)	(178,918)
Accounts payable	(264,135)	1,257,435
Accrued wages	(159,657)	27,676
Customer deposits	92,310	4,363
Miscellaneous	(48,278)	(2,090)
	$(438,119)	$ 431,804

Thorne Ernst & Whinney
Chartered Accountants

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Thunder Bay, Ontario, Canada
P7C 4W6

807/623-5575

AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

The Hydro-Electric Commission of Thunder Bay
Thunder Bay, Ontario

The audited financial statements of the Commission and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations, or changes in cash position of the Commission. Such information has been subjected to the auditing procedures applied in our examination of the statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

April 3, 1987

Thorne Ernst & Whinney
Chartered Accountants

Clarkson Gordon
Chartered Accountants

Member of Ernst & Whinney International

THE HYDRO-ELECTRIC COMMISSION OF THUNDER BAY

SCHEDULE OF THUNDER BAY HYDRO BUILDING OPERATIONS

	Year Ended December 31 1986	1985
Gross rentals	$703,645	$643,844
Less expenses		
Wages and employee fringe benefits	215,566	196,576
Fuel	21,137	26,341
Water, light and telephone	36,465	32,761
Insurance	11,383	9,946
Municipal taxes	101,973	95,806
Repairs and maintenance supplies	98,345	98,046
Parking lot expense	20,557	27,636
Interest on long-term debt	3,021	3,335
Depreciation	37,555	37,403
	546,002	527,850
RENTAL INCOME (Transferred to Rehabilitation Reserve, Thunder Bay Hydro building)	$157,643	$115,994

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To the Members of the
Thunder Bay Area Emergency
Measures Organization.

We have examined the balance sheet and the statement of revenue and expenditure of the Thunder Bay Area Emergency Measures Organization for the year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Thunder Bay Area Emergency Measures Organization as at December 31, 1986 and the results of its operations for the year then ended, on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

THUNDER BAY EMERGENCY MEASURES ORGANIZATION
BALANCE SHEET

as at December 31, 1986

	$
Assets	
Due from City of Thunder Bay Revenue Fund	5,000
Liabilities	
Vehicle Replacement Reserve	5,000

THUNDER BAY AREA EMERGENCY MEASURES ORGANIZATION
STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1986

	1986 Budget	1986 Actual	1985 Actual
	$	$	$
REVENUE			
Federal Grant	25,000	24,604	23,619
Provincial Grant	-	10,353	3,477
Building Rentals	6,400	6,884	6,519
Municipal Grants	53,729	55,643	51,336
Other Revenue	-	206	-
	85,129	97,690	84,951
EXPENDITURE			
Salaries, Wages and Benefits	65,959	73,186	67,231
Hiring Costs	-	1,530	3,553
Travel	1,400	3,857	1,244
Building Maintenance	4,950	4,599	5,276
Office Supplies and Other Expenses	4,520	5,290	4,726
Mobile Equipment Maintenance	1,750	3,079	2,264
Communications Equipment	500	453	419
Purchase of Equipment	400	-	-
Provision for Reserve-Vehicle Replacement	5,000	5,000	-
Other	650	696	238
	85,129	97,690	84,951

AUDITOR'S REPORT

Municipality

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

To the Directors of the
City of Thunder Bay
Non-Profit Housing Corporation.

We have examined the financial statements of the City of Thunder Bay Non-Profit Housing Corporation as at December 31, 1986 consisting of the following:

Statement 1 - Balance Sheet
Statement 2 - Sequoia Park - Statement of Income and Accumulated Surplus
Statement 3 - Glenwood Court - Statement of Operations
Statement 4 - Paterson Court - Statement of Operations
Statement 5 - Andras Court - Statement of Income and Accumulated Surplus
Statement 6 - Royal Edward Arms - Statement of Operations
Statement 7 - Blucher Park - Statement of Operations
Statement 8 - McLaughlin Court - Statement of Operations
Statement 9 - Other Projects - Statement of Operations
Statement 10 - Statement of General and Administrative Expenses

Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

Thunder Bay, Canada,
April 13, 1987.

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

BALANCE SHEET

STATEMENT I

as at December 31, 1986
(with comparative figures for 1985)

ASSETS

	1986	1985
	$	$
Accounts Receivable		
Rents and Other Amounts Due From Tenants	11,063	14,779
City of Thunder Bay	762,800	833,987
Province of Ontario - Statements 3, 7, and 8	29,743	3,067
Canada Mortgage & Housing - Statement 4	15,683	-
Due from Canada Mortgage & Housing - RRAP	25,910	-
Due from Mortgage Company	468,083	-
Due from Ontario Heritage Fund	10,000	-
Land for Future Development (Note 8)	97,841	-
Construction in Progress (Note 5)	1,560,501	2,269,362
Capital Outlay to be Recovered in Future Years	20,250,762	13,415,737
	23,232,386	16,536,932

LIABILITIES, SHARE CAPITAL AND ACCUMULATED SURPLUS

	1986	1985
Liabilities	$	$
Rental Deposits	110,865	76,164
Accounts Payable	291,726	100,045
Deferred Revenue	120,975	89,507
Temporary Financing of Construction in Progress (Note 5)		
City of Thunder Bay	939,057	134,871
Contractors Accounts Payable Including Holdback	621,444	931,301
Advances on Mortgages	-	1,203,190
Due to Canada Mortgage & Housing Corporation	-	80,217
Due to Province of Ontario	-	6,628
Mortgages Payable (Note 3)	20,250,762	13,415,737
Provisions for Repairs and Replacements (Note 6)	448,347	233,440
Provision for Convert to Rent Mortgage (Note 7)	12,445	-
Reserve for Future Development (Note 8)	200,000	-
	22,995,621	16,271,100
Share Capital		
Authorized and Issued		
1-Common Share Without Par Value	40,000	40,000
Accumulated Surplus - Sequoia Park - Statement 2	26,818	78,382
- Andras Court - Statement 5	169,947	147,450
	236,765	265,832
	23,232,386	16,536,932

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

SEQUOIA PARK

STATEMENT OF INCOME AND ACCUMULATED SURPLUS — STATEMENT 2

for the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
	$	$
Income		
Rentals - Market Rent Tenants	158,609	154,615
- Rent Geared to Income Tenants	24,376	27,330
Ontario Housing Corporation Rent Subsidy	54,975	49,497
Ontario Housing Corporation Rent Reduction Grant	12,241	18,741
Canada Mortgage & Housing Corporation Interest Reduction Grant	27,052	27,052
Miscellaneous	9,750	8,128
	287,003	285,363
Expenses		
Administration Fee	14,522	14,189
Bad Debts	-	862
Building Maintenance - General	6,912	5,157
- Mechanical	3,619	2,205
Depreciation (Note 2b)	3,532	3,219
General Expense	-	18
Grounds Maintenance	2,002	542
Insurance	2,264	3,527
Interest - Canada Mortgage & Housing Corporation	180,999	181,305
Painting	6,283	2,314
Salaries and Benefits	-	881
Supplies - Janitorial	-	43
Taxes	42,039	39,461
Utilities - Heat	565	526
- Water	-	32
- Hydro	48	13
	262,785	254,294
Surplus for Year Before the Following Provision for Repairs and Replacements	24,218 (5,200)	31,069 (2,600)
Surplus for Year	19,018	28,469
Accumulated Surplus at Beginning of Year	78,382	49,913
Less Transfer to Provision for Repairs and Replacement	(70,582)	-
Accumulated Surplus at End of Year	26,818	78,382

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

GLENWOOD COURT

STATEMENT OF OPERATIONS — STATEMENT 3

for the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
	$	$
Income		
Rentals - Market Rent Tenants	172,239	182,417
- Rent Geared to Income Tenants	18,401	12,662
Canada Mortgage & Housing Corporation - Operating Subsidy	261,422	261,422
Province of Ontario - Rent Subsidy	38,507	36,601
Miscellaneous	6,161	5,422
Province of Ontario - Maintenance Subsidy	57,814	88,147
Bad Debts Recovered	-	112
	554,544	586,783
Expenses		
Administration Fee	28,082	28,082
Building Maintenance - Elevator	1,465	1,298
- Mechanical	255	658
- Structural	52,802	86,857
- General	5,543	2,982
- Garbage Bin	-	3,975
- Architectural	1,625	7,275
Depreciation (Note 2b)	1,230	1,028
Equipment Maintenance	1,048	91
General Expense	-	10
Grounds Maintenance	1,950	409
Insurance	2,067	2,685
Interest - Mutual Life Assurance	333,689	333,891
Janitorial Supplies	1,776	1,854
Painting - Interior and Exterior	4,962	3,608
Pest Control	75	25
Salaries and Benefits	32,311	19,727
Snow Removal	3,009	4,152
Taxes	48,818	45,847
Utilities - Heat	8,651	5,797
- Water	3,012	2,887
- Hydro	13,822	12,119
- Telephone	1,399	1,398
	547,591	566,655
Surplus for Year Before the Following	6,953	20,128
Provision for Repairs and Replacements	(13,500)	(13,500)
Surplus (Deficit) for Year	(6,547)	6,628
Recoverable From (Payable to) Province of Ontario	6,547	(6,628)

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

PATERSON COURT

STATEMENT OF OPERATIONS — STATEMENT 4

for the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
	$	$
Income		
Rentals - Market Rent Tenants	319,388	308,735
- Rent Geared to Income Tenants	139,688	124,630
Canada Mortgage & Housing Corporation - Operating Subsidy	647,484	733,139
Miscellaneous	23,396	30,079
	1,129,956	1,196,583
Expenses		
Administration Fee	57,600	53,889
Building Maintenance - Elevator	3,870	3,780
- General	2,458	4,068
- Mechanical	2,010	2,454
Depreciation (Note 2b)	2,297	1,913
General Expense	-	613
Grounds Maintenance	1,758	31
Insurance	3,557	4,621
Interest - Mutual Life Assurance	808,196	808,579
Janitorial Supplies	1,300	1,828
Painting	2,205	335
Salaries and Benefits	57,188	33,075
Snow Removal	2,019	2,595
Taxes	99,087	93,011
Utilities - Heat	17,477	16,549
- Water	3,350	2,842
- Hydro	45,769	50,673
- Telephone	498	510
	1,110,639	1,081,366
Surplus for Year Before the Following Provision for Repairs and Replacements	19,317	115,217
	(35,000)	(35,000)
Surplus (Deficit) for Year	(15,683)	80,217
Recoverable from (Payable to) Canada Mortgage & Housing Corporation	15,683	(80,217)

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

ANDRAS COURT

STATEMENT OF INCOME AND ACCUMULATED SURPLUS — STATEMENT 5

for the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
	$	$
Income		
Rentals - Market Rent Tenants	434,044	430,877
- Rent Geared to Income Tenants	214,661	194,583
Ontario Housing Corporation - Rent Subsidy	269,890	278,696
Canada Mortgage & Housing Corporation Interest Reduction Grant	23,980	37,060
Miscellaneous	58,698	56,696
Student Employment Grant	-	2,353
	1,001,273	1,000,265
Expenses		
Administration Fee	53,750	55,189
Building Maintenance - Elevator	4,042	3,885
- General	29,970	25,763
- Mechanical	11,023	9,624
- Structural-Balcony Doors	1,100	-
Depreciation (Note 2b)	16,409	15,171
Equipment - Maintenance	1,316	2,003
General Expense	-	121
Ground and Parking Lot Maintenance	1,485	387
Insurance	4,219	5,482
Interest - Canada Mortgage & Housing Corporation	393,936	395,160
Janitorial Supplies and Security	8,307	5,578
Painting	18,269	1,669
Pest Control	600	850
Salaries and Benefits	39,751	38,816
Taxes	166,404	156,200
Utilities - Cable T.V.	25,321	19,401
- Heat	35,302	54,502
- Water	10,467	10,722
- Hydro	96,095	89,365
- Telephone	2,445	2,194
	920,211	892,082
Surplus for Year Before the Following Provision for Repairs and Replacements	81,062	108,183
	(58,565)	(58,565)
Surplus for Year	22,497	49,618
Accumulated Surplus at Beginning of Year	147,450	97,832
Accumulated Surplus at End of Year	169,947	147,450

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

ROYAL EDWARD ARMS

STATEMENT OF OPERATIONS — STATEMENT 6

for the year ended December 31, 1986

	1986
Income	$
Rentals - Market Rent Tenants	59,649
- Rent Geared to Income Tenants	4,650
Province of Ontario - Rent Subsidy	23,968
Commercial Rent	6,952
Miscellaneous	2,703
	97,922
Expenses	
Administration Fee	4,086
Building Maintenance - General	2,391
- Mechanical	1,083
- Elevator	838
Depreciation (Note 2b)	17,574
Insurance	1,185
Interest - Canada Life Mortgage	24,693
Painting	1,061
Promotion of Leases	1,250
Salaries and Benefits	4,508
Snow Removal	75
Supplies-Janitorial	1,633
Taxes	12,970
Utilities - Heat	7,689
- Water	2,660
- Hydro	5,076
- Telephone	2,686
	91,458
Surplus for Year Before the Following	6,464
Provision for Repairs and Replacements	(2,100)
Provision for Convert to Rent	(12,445)
Deficit for Year	(8,081)
Allocation to General and Administrative Expenses - Statement 10	8,081

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

BLUCHER PARK

STATEMENT OF OPERATIONS — STATEMENT 7

for the year ended December 31, 1986

	1986
Income	$
Rentals - Market Rent Tenants	40,113
- Rent Geared to Income	9,003
Canada Mortgage & Housing Corporation - Operating Subsidy	69,261
	118,377
Expenses	
Administration Fee	5,830
Building Maintenance - General	633
Mechanical	47
Depreciation (Note 2b)	14,795
Grounds Maintenance	360
Interest - Canada Life Mortgage	89,679
- Other	510
Salaries and Benefits	4,446
Taxes	10,449
Utilities - Heat	68
- Water	324
- Hydro	61
	127,202
Deficit for Year Before the Following Provision for Repairs and Replacements	(8,825)
	(5,300)
Deficit for Year	(14,125)
Recoverable from Province of Ontario	14,125

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

McLAUGHLIN COURT

STATEMENT OF OPERATIONS — STATEMENT 8

for the year ended December 31, 1986

	1986
Income	$
Rentals - Market Rent Tenants	16,918
- Rent Geared to Income Tenants	5,312
Canada Mortgage and Housing Corporation - Operating Subsidy	25,027
Province of Ontario - Rent Subsidy	347
Miscellaneous	1,090
	46,694
Expenses	
Administration Fee	1,053
Building Maintenance - General	1,459
- Mechanical	37
Depreciation (Note 2b)	4,145
Interest - Canada Life Mortgage	32,980
- Other	200
Salaries and Benefits	2,936
Snow Removal	30
Supplies - Janitorial	738
Taxes	6,286
Utilities - Telephone	328
- Water	513
- Hydro	2,900
	53,605
Deficit for Year Before the Following	(6,911)
Provision for Repairs and Replacements	(2,160)
Deficit For Year	(9,071)
Recoverable from Province of Ontario	9,071

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

OTHER PROJECTS (SCHEDULE I) (Note 4)

STATEMENT OF OPERATIONS

STATEMENT 9

for the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
	$	$
Income		
Rentals	34,650	37,001
Expenses		
Bad Debts	-	200
Insurance	258	339
Leases	3,600	3,600
Repairs and Maintenance	4,923	7,797
Taxes	2,858	2,681
Utilities	17,833	19,277
	29,472	33,894
Income for Year	5,178	3,107
Allocation to General and Administrative Expenses - Statement 10	(5,178)	(3,107)

(see notes to financial statements)

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES — STATEMENT 10

for the year ended December 31, 1986
(with comparative figures for 1985)

	1986	1985
	$	$
Operating Expense		
Accounting	26,000	-
Advertising	2,698	1,247
Interest - Last Month's Rent Deposits	5,234	4,427
Office Expense	19,039	14,773
Office Rent	5,190	3,375
Professional Fees	23,095	17,088
Purchase of Equipment	10,402	8,533
Renovations	5,898	-
Salaries and Benefits	93,983	105,115
Travel	4,786	3,595
	198,325	158,153
Less:		
Allocated to Housing Projects	(190,628)	(151,349)
Interest Income	(7,400)	(7,300)
Income for Year - Statement 9	(5,178)	(3,107)
Loss for Year - Statement 6 Royal Edward	8,081	-
Net Operating Surplus (Loss) for Year	(3,200)	3,603
Accumulated Surplus at Beginning of Year	3,603	-
Accumulated Surplus at End of Year	403	3,603

(see notes to financial statements)

CITY OF THUNDER BAY

NON-PROFIT HOUSING CORPORATION

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 1986

1. Incorporation and Objects

The Corporation is incorporated as a non-profit organization under the Ontario Business Corporations Act to provide and operate housing accommodation for persons of low or modest income at rentals below the current rental market. Certain approved projects receive support by way of grants and low interest loans from various levels of government and as such are bound by the provisions of specific operating agreements in regards to rates charged and the transferability of excess revenues.

2. Significant Accounting Policies

(a) Capital Outlay to be Recovered in Future Years

To conform with municipal accounting policies, the historical cost and accumulated depreciation of fixed assets are not reported in the financial statements. Instead the fixed assets are carried at a value equal to the principal outstanding of the unmatured debt related thereto.

(b) Depreciation

Depreciation is recorded in annual amounts equal to the principal reduction in the mortgage debt.

(c) Provision for Repairs and Replacement

In accordance with the terms of the Corporation's agreements with Canada Mortgage and Housing Corporation, the Corporation is required to make annual provisions for repairs and replacements of furnishings, equipment, etc. These provisions are to accumulate to certain specified amounts which are to be maintained until the mortgage debt is retired.

(d) Charges for Net Long-Term Liabilities

Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the period from the date of the latest interest payments to the end of the fiscal year.

3. Mortgages Payable

Sequoia Park

To Canada Mortgage and Housing Corporation in the amount of $2,158,537 to be reduced by earned forgiveness after 50 years of $217,928. The mortgage is secured by the assets of the Sequoia Project and bears interest at 9-1/2% reduced to 8% by interest reduction grants from C.M.H.C. The mortgage is repayable in monthly instalments of $15,377.

Glenwood Court

To Mutual Life Assurance Company of Canada in the amount of $1,847,298 secured by assets of Glenwood Court, bearing interest at 18-3/4% payable in monthly instalments of principal and interest of $27,910 to September 15, 1987 when the balance is due and payable.

Paterson Court

To Mutual Life Assurance Company of Canada in the amount of $4,389,967 secured by assets of Paterson Court, bearing interest at 19-1/8% payable in monthly instalments of principal and interest of $67,541 to June 30, 1988 when the balance is due and payable.

3. Mortgages Payable (cont'd)

Andras Court

To Canada Mortgage and Housing Corporation in the amount of $4,996,466 secured by assets of Andras Court, bearing interest at 8% payable in monthly instalments of principal and interest of $34,194 maturing in the year 2027.

McLaughlin Court

To Canada Life Mortgage in the amount of $513,134, secured by assets of McLaughlin Court, bearing interest at 11 7/8 per cent payable in monthly instalments of principal and interest of $5,388 to May 1, 1991 when the balance is due and payable.

Royal Edward Arms

To Canada Mortgage and Housing Corporation, a forgivable loan in the amount of $224,000 secured by assets of Royal Edward Arms. Forgiveness on this loan will be earned at the rate of $44,800 per year for a period of five years maturing on March 1, 1992.

To Ontario Mortgage Corporation in the amount of $448,000, a 15 year interest free loan, secured by assets of Royal Edward Arms. The loan is repayable in 60 monthly payments of $7,467, with the first payment due on April 1, 1996 and the last payment on March 1, 2001.

To Canada Life Mortgage in the amount of $2,047,926, secured by assets of Royal Edward Arms, bearing interest at 11 7/8 per cent, payable in monthly instalments of principal and interest of $21,133 to October 1, 1991 when the balance is due and payable.

Fourth mortgage presently being negotiated for $220,714 to a maximum of $232,460 to be guaranteed by a letter of covenant from the City of Thunder Bay.

Blucher Park

To Canada Life Mortgage in the amount of $3,404,720, secured by assets of Blucher Park Housing, bearing interest at 11 7/8 per cent, payable in monthly instalments of principal and interest of $34,793 to October 1, 1991 when the balance is due and payable.

1986 Capital Projects

During the year, the following projects were completed and capitalized as follows:

	McLaughlin Court	Royal Edward Arms	Blucher Park
Legal	3,540	14,177	19,197
Insurance		71,146	
Contracts	452,271	3,077,477	2,391,570
Architect	10,279	152,652	24,808
Land	22,232	1	788,655
Land Servicing			6,925
Survey	1,104		17,019
Organization	2,250	1,735	14,160
Mortgage Application Fee	1,200	16,100	5,300
Interest on Temporary Financing	9,922	96,006	151,067
Taxes Capitalized		17,886	
Equipment and Furnishings	14,481	60,582	
Contingency		1,086	814
	517,279	3,508,848	3,419,515

Financed as follows:	McLaughlin Court	Royal Edward Arms	Blucher Park
Sale of Rugs		2,634	
Grant from Ontario Heritage Fund		40,000	
Grant from Northern Affairs		260,000	
City's Contribution		248,000	
Amount Set Up in Capital Outlay to be Recovered in Future Years:			
Canada Mortgage and Housing Corporation		224,000	
Ontario Mortgage Corporation		448,000	
Canada Life Mortgage	517,279	2,065,500	3,419,515
Mortgage in Process of Finalization		220,714	
	517,279	3,508,848	3,419,515

4. Other Projects

The statement of operations for other projects includes the income and expenses for the following:

Franklin Street School

During 1981, the City of Thunder Bay purchased the Franklin Street School for $150,000 and title was recorded in the name of the Corporation. Presently, neither the asset nor the liability to the City of Thunder Bay has been recorded in the Corporation's books. If the school is used in the future as a non-profit housing project, the asset and liability will be recorded at that time by the Corporation.

241 May Street

The Corporation leases this property from the City of Thunder Bay at a rental of $2,400 per year. The lease expired December 31, 1985, but is presently being extended.

Pearl Street

The Corporation acquired this property by way of transfer from the City of Thunder Bay. In 1983, the dwellings on this property were demolished.

Elgin Street

This property is leased from the City of Thunder Bay at a rental of $1,200 per year. The lease expires in 1996.

Northern Avenue

The dwelling on this property was demolished late in 1985 and the property has subsequently been transferred back to the City of Thunder Bay.

5. Construction in Progress

During 1986, the Corporation received approval for and began construction of a 23 unit apartment building on Ross Street, a 30 unit apartment building on the corner of Wilson and Cumberland Streets, 23 duplexes in the Picton-Blucher Street Area, and 2 duplexes at the former St.Dominic's Church property.

The funding for these projects is as follows:

	Ross Street Apartments	Wilson and Cumberland Apartments	Picton Blucher and St. Dominic's Duplexes
Mortgage 10.99% 5 Year Term Amortized over 35 Years	1,200,000	1,600,000	3,941,000

In addition to the above, approval has not been obtained, nor has funding been arranged for the construction of a 36 unit apartment building on Pearl Street, although a feasibility study has been conducted. In the event that the Pearl Street project does not proceed to the construction stage, the Province will be responsible for all development costs through its Development Assistance for Social Housing Program.

At the year end, the following had been expended on these projects:

	Pearl Street Apartments	Ross Street Apartments	Wilson and Cumberland Apartments	Picton Blucher St.Dominic's Apartments	Total
Contract		37,100	243,037	322,307	
Architect		28,440	34,539	27,413	
Land			174,150	656,400	
Survey		2,161	2,707	825	
Organization			6,000	3,295	
Contingency		473		2,315	
Land Servicing				339	
Feasibility	19,000				
	19,000	68,174	460,433	1,012,894	1,560,501

6. Provisions for Repairs and Replacements

	McLaughlin Court	Blucher Park	Royal Edward Arms	Sequoia Park	Glenwood Court	Paterson Court	Andras Court	Total
Balance Beginning of Year	-	-	-	26,000	52,950	98,250	56,240	233,440
Reserve for Year	2,160	5,300	2,100	5,200	13,500	35,000	58,565	121,825
	2,160	5,300	2,100	31,200	66,450	133,250	114,805	355,265
Interest Earned During Year	100	100	-	-	5,100	9,900	7,300	22,500
Transferred from Surplus				70,582				70,582
Balance at End of Year	2,260	5,400	2,100	101,782	71,550	143,150	122,105	448,347

7. Provision for Convert-To-Rent Mortgage

The repayments on this interest free mortgage with Ontario Mortgage Corporation do not commence until the eleventh year; therefore, the Corporation is setting aside on an annual basis 1/15th of the mortgage amount of $448,000 to meet these future payments. In 1986, 5/12 of the annual provision of $29,866 or $12,445 has been provided for.

8. Development Reserve

The Corporation has received City Council approval to establish a development reserve with a City contribution of $200,000 to be used for the purchase of land for future development. This reserve will be replenished from proceeds of long term financing. In the future, should the Thunder Bay Non-Profit Housing Corporation and the City of Thunder Bay mutually agree that the funds are no longer required by Non-Profit Housing, the funds will be returned to the City. The balance in the reserve as at December 31, 1986 is accounted for as follows:

Amounts Expended:

Land for Future Development		
Pearl Street	1,000	
St. Dominic	43,367	
Blucher Street	53,474	97,841
Unexpended at December 31, 1986		102,159
Fund Balance - Contribution from City of Thunder Bay		200,000

9. Commitment

In 1985, the Corporation entered into an agreement with the Corporation of the City of Thunder Bay to lease the Royal Edward Hotel property for a period of thirty years. The lease is a net lease and is subject to certain conditions regarding the construction of improvements.

The schedule for future lease payments is as follows:

Years	Annual Lease Payment
1986 - 1999	$ 1
2000 - 2004	$20,000
2005 - 2014	$25,000

CITY OF THUNDER BAY
NON-PROFIT HOUSING CORPORATION

OTHER PROJECTS

SCHEDULE OF INCOME AND EXPENSES

SCHEDULE 1

for the year ended December 31, 1986

	Franklin Street School	241 May Street	Elgin Street	Northern Avenue	1986 Total	1985 Total
Income						
Rentals	20,934	9,516	4,200	-	34,650	37,001
Expenses						
Bad Debts	-	-	-	-	-	200
Insurance	122	60	55	21	258	339
Leases	-	2,400	1,200	-	3,600	3,600
Repairs and Mtce.	4,407	93	423	-	4,923	7,797
Taxes	-	1,653	633	572	2,858	2,681
Utilities	15,455	2,378	-	-	17,833	19,277
	19,984	6,584	2,311	593	29,472	33,894
Income (Loss) for Year	950	2,932	1,889	(593)	5,178	3,107

AUDITORS' REPORT

To the Members of Council,
Inhabitants and Ratepayers
of The Corporation of the
City of Thunder Bay.

We have examined the balance sheet of the Telecommunication Department of The Corporation of the City of Thunder Bay as at December 31, 1986 and the statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Telecommunication Department as at December 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

Thorne Ernst & Whinney
Chartered Accountants.
Licence No. 1086.

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

BALANCE SHEET

AS AT DECEMBER 31, 1986

ASSETS

	1986	1985
Telecommunication property		
Building, plant and equipment at cost	$86,110,662	$79,279,034
Less: Accumulated depreciation	37,972,105	34,646,622
	48,138,557	44,632,412
Land	274,001	59,225
Plant under construction	7,051,146	919,538
Materials and supplies	1,434,402	893,985
	56,898,106	46,505,160
Investments at cost		1,584,457
Current assets		
Accounts receivable	5,478,927	4,347,032
Due from City of Thunder Bay		605,718
Net investment in leases (note 2)	239,337	139,999
	5,718,264	5,092,749
Other assets		
Net investment in leases (note 2)	1,070,324	791,767
Deferred charges	60,676	42,870
	1,131,000	834,637
Total assets	$63,747,370	$54,017,003

LIABILITIES AND RETAINED EARNINGS

Retained earnings	$54,137,373	$48,796,565
Long-term debt (note 3)	2,370,000	2,649,000
Current liabilities -		
Accounts payable - City of Thunder Bay	3,208,208	
Accounts payable	3,724,916	2,306,500
Other current liabilities	25,009	13,938
Debt due within one year (note 3)	279,000	251,000
	7,237,133	2,571,438
Deferred credits	2,864	
Total liabilities and retained earnings	$63,747,370	$54,017,003

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

STATEMENT OF RETAINED EARNINGS

FOR THE YEARS ENDED DECEMBER 31

	1986	1985
Retained earnings, beginning of year	$48,796,565	$43,009,049
Net income for year	5,340,808	5,787,516
Retained earnings, end of year	$54,137,373	$48,796,565

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

STATEMENT OF INCOME

FOR THE YEARS ENDED DECEMBER 31

	1986	1985
Operating revenues -		
Local service	$11,778,512	$11,644,343
Long distance services	8,813,348	8,458,864
Other	3,419,183	2,999,167
Total operating revenues	24,011,043	23,102,374
Operating expenses -		
Maintenance and repairs	4,255,749	4,012,130
Depreciation	3,958,357	3,606,037
Marketing and commercial	2,851,108	2,540,472
Accounting and administration	1,248,057	1,008,416
Business information systems	182,017	309,171
Pensions and other employee benefits	1,212,678	1,193,021
Taxes other than income taxes	1,559,137	1,414,411
Other	3,362,186	3,069,798
Total operating expenses	18,629,289	17,153,456
Net operating revenues	5,381,754	5,948,918
Other income		
Interest income	332,451	235,684
Income before interest charges	5,714,205	6,184,602
Interest charges		
Interest on long-term debt including foreign exchange loss	368,093	393,184
Other	5,304	3,902
	373,397	397,086
Net income for year	$ 5,340,808	$ 5,787,516

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31

	1986	1985
Source of funds -		
Operations:		
Net income for year	$ 5,340,808	$ 5,787,516
Item not affecting current funds:		
Depreciation	3,958,357	3,606,037
Total funds from operations	9,299,165	9,393,553
Disposition of funds -		
Capital expenditures:		
Gross capital expenditures	13,810,886	6,445,280
Increase (decrease) in material and supplies	540,417	(76,022)
Net capital expenditures	14,351,303	6,369,258
Purchase (sale) of investments	(1,584,457)	172,153
Long-term debt paid or included in current liabilities	279,000	251,000
Net investment in leases	278,557	791,767
Other	14,942	41,342
	13,339,345	7,625,520
Increase (decrease) in working capital	(4,040,180)	1,768,033
Working capital, beginning of year	2,521,311	753,278
Working capital (deficiency), end of year	$(1,518,869)	$ 2,521,311
Working capital is represented by:		
Current assets	$ 5,718,264	$ 5,092,749
Less current liabilities	(7,237,133)	(2,571,438)
	$(1,518,869)	$ 2,521,311

(See notes to financial statements)

THE CORPORATION OF THE CITY OF THUNDER BAY

TELECOMMUNICATION DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Basis of Financial Statement Presentation and Significant Accounting Policies

(a) Basis of Financial Statement Presentation

Background -

Prior to January 1, 1984, the accounts of the Telecommunication Department of The Corporation of the City of Thunder Bay were maintained on a basis which was in accordance with accounting principles generally accepted for Ontario Municipalities as established by the Ministry of Municipal Affairs and Housing. These accounting principles require (a) that capital expenditures be expensed each year to the extent they are not financed by debenture borrowing and (b) that the financial statements of all City departments be consolidated. The financial statements of the Telecommunication Department prepared in accordance with these accounting principles were used for presentation to the Ontario Telephone Service Commission, the body responsible for regulating the Department's telephone rates.

The operations of the Telecommunication Department are governed by the Ontario Telephone Act and subject to regulatory procedures under that Act as administered by the Ontario Telephone Service Commission. In general, the Commission follows a rate base and rate of return approach to regulation, under which investment in plant forms an important part of the base for determining rates for service. In the past the Commission found it difficult to carry out its responsibilities using the financial information presented in accordance with municipal accounting requirements.

In November, 1982, the Commission by way of order, directed The Corporation of the City of Thunder Bay to prepare its accounts for the Telecommunication Department for 1984 and subsequent years in accordance with accounting principles generally accepted in the telephone industry.

In October, 1984, the Ministry of Municipal Affairs and Housing exempted The Corporation of the City of Thunder Bay from reporting the Telecommunication Department's accounts on the accounting basis previously required for Ontario Municipalities and allowed the reporting to be done on the basis followed in the telephone industry.

In March, 1985, the Members of Council of The Corporation of the City of Thunder Bay approved the adoption of accounting principles generally accepted in the industry as the basis of reporting on the affairs of the Telecommunication Department for 1984 and future years.

(a) Basis of Financial Statement Presentation (continued)

Due to the adoption in 1984 of the accounting principles outlined below, it was necessary to establish a carrying value for fixed assets and an annual depreciation charge. Since fixed asset records had not been maintained in past years, it was necessary to make certain assumptions in arriving at the value attributed to fixed assets. The cost value was arrived at by aggregating capital expenditures as reported in the financial statements of the telephone departments of Port Arthur and Fort William for the years to 1969 and since then from the records of the City of Thunder Bay. Since fixed assets records were not maintained, it is not possible to take into account retirements or disposals of fixed assets. It was assumed that all capital expenditures prior to 1965 amounting to $7,217,515 were fully depreciated and this amount has been included in both cost and accumulated depreciation on the balance sheet. Further, since fixed assets cannot be categorized by type of plant, it was not possible to determine depreciation rates by class of property as required by the Ontario Telephone Service Commission. In lieu of this, an overall depreciation rate of 5% applied retroactively on a straight-line basis was adopted with the expectation that this would approximate the amortization of the fixed assets over their estimated useful life.

The Telecommunication Department is presently undertaking a physical inventory of its fixed assets and once completed will attempt to allocate values to the various classes of property and recompute the accumulated depreciation in accordance with the estimated useful life of the properties.

(b) Significant Accounting Policies

(i) The Telecommunication Department of The Corporation of the City of Thunder Bay follows accounting principles which are prescribed by the Ontario Telephone Service Commission.

(ii) Related party transactions -

Because of the integration of the Telecommunication Department with other entities and departments of The Corporation of the City of Thunder Bay, it is impractical to detail the many related transactions that take place between these bodies.

The Corporation, however, does allocate direct expenses to the benefitting department and common costs such as accounting, billing, purchasing and administration are allocated on the basis of a formula established for this purpose. The amount charged for common expenses in 1986 was $1,965,327 ($1,842,000 in 1985).

(iii) Depreciation -

Depreciation has been computed on the straight-line method using a 5% rate (see note 1 (a) for further details).

(b) Significant Accounting policies (continued)

(iv) Materials and supplies -

Inventories are valued at the lower of cost (calculated generally on a first-in, first-out basis) or net realizable value.

(v) Leases -

Leases are classifed as capital or operating leases. For leases which qualify as sales-type leases, the sales revenue and cost of sale is recorded at the inception of the lease. Finance income related to sales-type leases is recognized as interest income in a manner that produces a constant rate of return on the investment in the lease. The investment in the leases for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

(vi) Sick leave benefit plan -

Under this plan, certain employees may become entitled to a cash payment for vested sick leave benefits when they leave the employ of The Corporation of the City of Thunder Bay. It is the policy of the Corporation to expense these payments as incurred and no accrual is made in the financial statements for the accumulated liability (see note 4).

(vii) Past service pension benefits -

It is the policy of the Corporation not to accrue for past service pension benefits as they are earned and no accrual is made in the financial statements for the accumulated liability (see note 5).

(viii) Foreign exchange translation -

The Corporation follows the practice of reflecting the exchange loss on its foreign debt only as realized. The unmatured U.S. debentures referred to in note 3 have not been translated into their Canadian dollar equivalent as at the year end.

(ix) Debenture Interest -

No accrual is made in the financial statements for interest between instalment dates. Interest expense is recorded only when paid.

2. Net investment in leases

The Department's net investment in leases include the following:

	1986	1985
Total minimum lease payments receivable	$1,919,998	$1,411,920
Less unearned income	610,337	480,154
	$1,309,661	$ 931,766

Future minimum lease payments receivable under sales-types leases are as follows:

	1986	1985
1986	$ - 0 -	$ 269,775
1987	418,884	268,836
1988	392,829	247,747
1989	344,034	211,667
1990	248,625	212,244
1991 and future	515,626	201,651
	$1,919,998	$1,411,920

3. Long-term debt

Debentures

	Payable in Canadian Funds		Payable in U.S. Funds	Total
	13.00%-1990	8.75%-1987 9.375%-1997	9.125%	
Due 1987	$170,000	$ 42,000	$ 67,000	$ 279,000
1988	191,000	46,000	74,000	311,000
1989	216,000	50,000	82,000	348,000
1990	244,000	54,000	90,000	388,000
1991 - 1997		554,000	769,000	1,323,000
	$821,000	$746,000	$1,082,000	2,649,000
Less due within one year				279,000
				$2,370,000

As stated in note 1, the U.S. pay debentures totalling $1,082,000 have not been translated into Canadian dollars at the year end. Had this liability been translated at the year end exchange rate, the liability would be increased by $411,000.

4. Vested sick leave benefits

The liability for sick leave benefits, to the extent vested which could be taken in cash by employees on termination, amounted to approximately $1,130,187 at the year end.

5. Past service pension obligation

The Corporation has a liability as at the year end to its employees for past service pension benefits amounting to $824,994. This telecommunication liability is to be funded in annual instalments of $137,499 over the next six years.

AUDITORS' REPORT

To the Directors of
Thunder Bay Community Auditorium Inc.

We have examined the balance sheet of the Thunder Bay Community Auditorium Inc. as at December 31, 1986 and the statements of operating revenue and expenditure and fund balance and capital operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as noted in the following paragraph.

As is common in organizations of this type, donations, by their nature, are not susceptible to complete verification by audit procedures. Accordingly, our examination of revenue from this source was confined to comparisons of recorded receipts with bank deposits.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to completely verify donation revenue as explained in the preceding paragraph, these financial statements present fairly the financial position of the Community Auditorium as at December 31, 1986 and the results of its operations for the year then ended in accordance with the accounting principles set out in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Thunder Bay, Canada,
April 13, 1987.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

THUNDER BAY COMMUNITY AUDITORIUM INC.
(Incorporated as a charitable organization under the Ontario Corporations Act)

BALANCE SHEET

DECEMBER 31, 1986
(with comparative figures as at December 31, 1985)

		1986		1985
ASSETS				
Current:				
Cash		$ 72		$ 1,437
Accounts receivable		57,834		
Due from City of Thunder Bay		48,878		
Inventories (note 4)		51,515		37,446
Prepaid expenses (note 5)		125,057		83,306
		283,356		122,189
Unfinanced capital outlay to be recovered in future years (note 3)		108,728		1,700,775
		$392,084		$1,822,964
LIABILITIES AND FUND BALANCES				
Current:				
Accounts payable		$ 83,950		$ 164,910
Deferred revenue (note 6)		308,134		289,875
		392,084		454,785
Due to City of Thunder Bay	$ 108,728		$1,700,775	
Less funds held by City on behalf of Auditorium	(108,728)	- 0 -	332,396	1,368,179
		$392,084		$1,322,964

(See notes to financial statements)

THUNDER BAY COMMUNITY AUDITORIUM INC.

STATEMENT OF OPERATING REVENUE AND EXPENDITURE AND FUND BALANCE

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986		1985	
Revenue:				
Performance revenue		$1,909,119		$ 597,780
Provincial grant		6,000		15,545
Federal grant		36,836		2,278
Small Communities Arts - Management Program		14,000		
Merchandise sales		64,708		27,218
Bar sales		111,298		37,151
Other		62,331		16,482
Donations				6,100
Fund raising		39,547		
Total revenue		2,243,839		702,554
Expenditures:				
Artists' fees		1,181,068		334,027
Administration -				
Salaries and benefits	$184,050		$136,052	
Other	171,650	355,700	178,202	314,254
Operations -				
Salaries and benefits	88,377		45,453	
Other	182,068	270,445	80,251	125,704
Box office -				
Salaries and benefits	133,893		105,165	
Other	42,542	176,435	84,602	189,767
Technical -				
Salaries and benefits	207,908		67,511	
Other	20,508	228,416	7,410	74,921
Public relations -				
Salaries and benefits	70,099		32,816	
Other	250,861	320,960	79,247	112,063
Seed program -				
Salaries and benefits				4,169
Bar and boutique -				
Salaries and benefits	124,612		7,750	
Other	92,121	216,733	52,189	59,939
Opening week promotions				25,254
Board		1,670		
Systems -				
Salaries and benefits	47,076			
Other	99,620	146,696		
Skills investment		38,718		
Total expenditures		2,937,041		1,240,098
Excess of expenditure over revenue for year		(693,202)		(537,544)
Deficit, beginning of year				(23,789)
		(693,202)		(561,333)
Less:				
Contribution from City of Thunder Bay		693,202	537,544	
Transfer from capital operations			23,789	561,333
Fund balance		$ Nil		$ Nil

(See notes to financial statements)

THUNDER BAY COMMUNITY AUDITORIUM INC.

STATEMENT OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985)

	1986	1985
Capital cost, beginning of year	$14,670,180	$ 9,436,909
Capital expenditures during year:		
Construction costs and other capital expenditures	199,049	5,233,271
Total capital cost	14,869,229	14,670,180
Total capital financing:		
Grant by way of City Debenture Issue (note 8)	1,250,000	
Grants - Federal	3,500,000	3,500,000
- Provincial	5,458,747	5,025,000
- City of Thunder Bay	1,924,000	1,924,000
Donations	2,080,343	1,973,745
Interest income - net	524,710	523,211
Sales tax rebate	409,770	404,770
Other	29,839	34,087
	15,177,409	13,384,813
Less accumulated operating fund deficits	(416,908)	(416,908)
	14,760,501	12,967,905
Transfer from concert fund		1,500
Unfinanced capital outlay, end of year	$ 108,728	$ 1,700,775

STATEMENT OF CONCERT FUND

FOR THE YEAR ENDED DECEMBER 31, 1986
(with comparative figures for 1985)

	1986	1985
Balance, beginning of year	$Nil	$1,500
Transfer to capital operations	—	1,500
Balance, end of year	$Nil	$ Nil

(See notes to financial statements)

THUNDER BAY COMMUNITY AUDITORIUM INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Incorporation and commencement of operations

The Thunder Bay Community Auditorium Inc. was incorporated in 1971 as a not-for-profit organization without share capital under the Ontario Corporations Act. In October, 1985, the Auditorium opened to the public and commenced operations. Accordingly, the 1985 comparative figures in the statement of operating revenue and expenditure are for a three-month period.

2. Significant accounting principles

The Thunder Bay Community Auditorium Inc. follows accounting principles generally accepted for Ontario municipalities. The most significant of these are as follows:

(i) Fixed assets -

The historical cost and accumulated depreciation of fixed assets are not recorded for municipal purposes. Expenditures on fixed assets are charged against current revenue as acquired unless the expenditures are financed or to be financed by way of long-term debt or capital grants in which case they are charged to capital operations. For those fixed assets financed or to be financed by the issue of long-term indebtedness the principal and interest on the long-term indebtedness will be reported in the statement of operating revenue and expenditure as they are paid.

(ii) Accrual basis of accounting -

The accrual basis of accounting is followed for all revenues and expenditures except for donations which are accounted for on a cash basis.

(iii) Inventories -

Inventories which consist primarily of bar supplies and merchandise for resale are valued at the lower of cost and net realizable value.

(iv) Deferred revenue -

Performance revenue is recognized in the year the performance occurs. Revenue from the sale of gift certificates is deferred until the certificates are redeemed.

3. Unfinanced capital outlay to be recovered in future years

It is expected that the unfinanced capital outlay will be recovered in future years from donations.

4. Inventories

Inventories consist of the following:

	1986	1985
Bar supplies	$ 8,676	$ 5,478
Tapes and records	30,496	26,646
Giftware	12,343	5,322
	$51,515	$37,446

5. Prepaid expenses

The prepaid expenses consist of the following:

	1986	1985
Prepaid credit card charges	$ 4,080	
Office supplies	13,757	$10,000
Consulting fees		4,000
Printing charges		10,000
Advertising	27,500	51,000
Performance deposit	14,870	8,306
Prepaid performance expenses	64,850	
	$125,057	$83,306

6. Deferred revenue

Deferred revenue consists of the following:

	1986	1985
Pre-sold performance tickets	$282,643	$276,425
Gift certificates	25,491	13,450
	$308,134	$289,875

7. Pledges receivable

Pledges receivable are not reflected in these financial statements. It is expected however that over the next three years collection of pledges receivable will be as follows:

1987 - $138,729
1988 - 8,000
1989 - 1,000

Donations will be recorded when received.

8. Grant by way of City Debenture Issue

During 1986, the City of Thunder Bay raised $1,250,000 of additional financing for the Community Auditorium building by way of a debenture issue. This debt is not reflected in these financial statements as the City of Thunder Bay is responsible for repayment of the debenture.

1986

FINANCIAL INFORMATION RETURN

MINISTRY OF MUNICIPAL AFFAIRS

This return includes the consolidation of the following local boards which are not consolidated in the audited financial statements:

Thunder Bay District Health Unit

Thunder Bay Emergency Measures Organization

1986 FINANCIAL INFORMATION RETURN

MUNICIPALITY: City of Thunder Bay

in the Region, County or District of: Thunder Bay

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

		Attached
1	Analysis of Revenue Fund Revenues	X
2LT	Analysis of Taxation	X
2UT	Analysis of Upper Tier Requisitions and Direct Charges	N/A
2MA	Analysis of Taxation in Merged Areas	N/A
3	Analysis of Current Revenue for Specific Functions	X
4	Analysis of Revenue Fund Expenditures	X
5	Analysis of Capital Operations	X
6	Analysis of Capital Grants and Own Expenditures	X
7	Analysis of Net Long Term Liabilities By Function	X
8	Analysis of Long Term Liabilities and Commitments	X
9LT	Continuity of Upper Tier and School Board Levies	X
10	Continuity of Reserves and Reserve Funds	X
11	Analysis of Consolidated Year End Balances	X
12	Statistical Data	X
13	Grant Information	X
14	Grant Information	N/A

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

- Waterworks Utility
- Transit
- Parking Authority
- Cemeteries
- Emergency Measures Organization
- Thunder Bay Public Library
- Thunder Bay District Health Unit
- Downtown Business Improvement Areas

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by City of Thunder Bay
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to Paul Milligan

Deputy City Treasurer at 807-625-2379
(Area code and telephone)

Date April 15 1987

Municipal Treasurer

ACCOUNTANT'S COMMENTS

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To the Ministry of
Municipal Affairs and Housing

Our examination of the financial statements of the Corporation of the City of Thunder Bay and of its local boards and enterprises for the year ended December 31, 1986 was made for the purpose of forming an opinion on the financial statements referred to in our auditors' report to the Members of Council, Inhabitants and Ratepayers dated April 13, 1987.

At your request, we have performed the following procedures in connection with schedules 1 to 11 of the City of Thunder Bay for the year ended December 31, 1986:

(a) We have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;

(b) We have added and cross-added all schedules; and

(c) We have cross-referenced the information on the schedules where applicable.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on this information.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

ANALYSIS OF REVENUE FUND REVENUES

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
		Note: Upper tiers use column 4 only			
		1 $	2 $	3 $	4 $
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	83,980,735		38,567,014	45,413,721
Direct water billings on ratepayers — own municipality	2	6,866,064			6,866,064
— other municipalities	3				
Sewer surcharge on direct water billings — own municipality	4				
— other municipalities	5				
Subtotal	6	90,846,799		38,567,014	52,279,785
Payments in lieu of taxes					
Canada	7	709,962			709,962
Canada enterprises	8	86,978			86,978
Ontario					
The Municipal Tax Assistance Act	9	435,521			435,521
The Municipal Act, section 160	10	376,950			376,950
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	1,230,044		562,561	667,483
Ontario Hydro	13	514,054			514,054
Liquor Control Board of Ontario	14	127,493			127,493
Other	15				
Municipal enterprises	16	1,550,214		354,014	1,196,200
Other municipalities and enterprises	17				
Subtotal	18	5,031,216		916,575	4,114,641
Ontario unconditional grants					
Per household general	19	1,270,530			1,270,530
Per household police	20	2,117,550			2,117,550
Per household density	21				
Transitional and special assistance	22				
Resource equalization	23				
General support	24	4,071,984			4,071,984
Northern special support	25	12,215,951			12,215,951
Apportionment guarantee	26				
Revenue guarantee	27	5,768,422			5,768,422
Subtotal	28	25,444,437			25,444,437
Revenues for specific functions					
Ontario specific grants	29	24,271,450			24,271,450
Canada specific grants	30	247,097			247,097
Other municipalities—grants and fees	31	208,633			208,633
Fees, service charges and donations	32	13,952,200			13,952,200
Subtotal	33	38,679,380			38,679,380
Other revenue					
Trailer revenue and licences	34				
Licences and permits	35	615,761			615,761
Fines	37	391,291			391,291
Penalties and interest on taxes	38	581,676			581,676
Investment income—from own funds	39				
—other	40	2,125,230			2,125,230
Sale of publications, equipment, etc.	42	51,677			51,677
Contributions from capital fund	43				
Contributions from reserves and reserve funds	44	20,000			20,000
Contributions from non consolidated entities	45				
. Loan Repayment	46	25,000			25,000
. Grant from Ontario Library	47	55,886			55,886
. Other Service	48	56,719			56,719
Sale of land	49				
Subtotal	50	3,923,240			3,923,240
Total revenue	51	163,925,072		39,483,589	124,441,483

CITY OF THUNDER BAY

2LT 4

		LOCAL TAXABLE ASSESSMENT			MILL RATES		TAXES LEVIED			SUPPLEMENTARY TAXES			TOTAL TAXES
	for computation use only	residential and farm 1 $	commercial and industrial 2 $	business 3 $	residential and farm 4	commercial industrial and business 5	residential and farm 6 $	commercial and industrial 7 $	business 8 $	residential and farm 9 $	commercial and industrial 10 $	business 11 $	total columns 6 to 11 12 $
I. Own purposes													
(a) Levied by mill rate													
General	010100	132,149,850	86,402,579	33,212,080	106.590	125.400	14,085,854	10,834,884	4,164,796	100,066	108,970	156,133	29,450,703
police villages at reduced rates	010200												
farms at reduced rates	010300												
	0100												
	0100												
	0100												
Special area rates and police villages													
Garbage	0100	132,149,850	86,402,579	33,212,080	9.340	11.110	1,247,496	959,934	368,987	8,359	9,593	12,750	2,608,619
Street Lighting	0100	128,561,023	85,894,451	33,030,285	4.500	5.180	543,674	444,934	171,098	3,583	4,359	6,379	1,174,027
Public Transportation	0100	129,050,599	85,853,323	33,016,830	16.980	19.980	2,021,479	1,715,349	659,676	11,589	16,166	23,618	4,447,877
Sewage and Drainage	0100	117,235,997	77,342,604	28,511,420	27.040	31.810	3,167,467	2,460,269	906,949	17,894	25,465	37,820	6,615,864
	0100												
	0100												
						Subtotal levied by mill rate 1	21,065,970	16,415,370	6,271,506	141,991	164,553	237,700	44,297,090
(b) Other charges on tax bills					Share of telephone and telegraph taxation 01210 2			315,828					315,828
					Local improvements 01220		575,030						575,030
					Sewer and water service charges 01230								
					Sewer and water connection charges 01240								
					Fire service charges 01250								
					Minimum tax (differential only) 01260								
					Municipal drainage charges 01270								
					Garbage collection charges 01280								
					Business improvement area 01290				212,536			13,237	225,773
					01300								
					Subtotal special charges on tax bills 3								
II. Upper tier purposes					Total own purpose taxation 01320 4		21,641,000	16,731,198	6,484,042	141,991	164,553	250,937	45,413,721
(a) Levied by mill rate													
General	02010												
Special purposes													
	02												
	02												
	02												
	02												
	02												
						Subtotal levied by mill rate 5							
(b) Other charges on tax bills					Share of telephone and telegraph taxation 02210 6								
					Local improvements 02220								
					Sewer and water service charges 02230								
					Sewer and water connection charges 02240								
					Fire service charges 02250								
					02300								
					Subtotal special charges on tax bills 7								
III. School board purposes					Total upper tier taxation 02320 8								
Elementary public													
	03010	94,500,851	71,083,187	27,805,745	78.900	92.820	7,456,119	6,597,943	2,580,929	45,897	64,667	97,495	16,843,050
	03010												
					Share of telephone and telegraph taxation 03210 9			124,100					124,100
					Subtotal elementary public 10		7,456,119	6,722,043	2,580,929	45,897	64,667	97,495	16,967,150
Elementary separate	04010	37,648,999	15,319,192	5,606,335	78.900	92.820	2,970,506	1,421,946	501,817	28,128	15,229	17,032	4,954,658
	04010												
					Subtotal elementary separate 11		2,970,506	1,421,946	501,817	28,128	15,229	17,032	4,954,658
Secondary	05010	132,149,850	86,402,579	33,212,080	59.810	70.370	7,903,884	6,080,149	2,337,135	56,139	80,998	97,401	16,525,706
	05010												
					Share of telephone and telegraph taxation 05210 12			119,500					119,500
					Subtotal secondary 13		7,903,884	6,199,649	2,337,135	56,139	80,998	97,401	16,645,206
					Total all school board taxation 06320 14		18,330,509	14,343,638	5,419,881	130,164	140,894	201,928	38,567,014

(135)

ANALYSIS OF CURRENT REVENUE FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

3
7

		Ontario specific grants	Canada grants	other municipalities-grants, fees, and service charges	fees, service charges and donations
		1 $	2 $	3 $	4 $
General government	1	30,665		5,193	363,972
Protection to persons and property					
Fire	2				2,150
Police	3		79,241		108,018
Conservation authority	4				
Protective inspection and control	5				83,453
. Emergency Measures Organization	6	10,353	24,604	11,908	2,400
Subtotal	7	10,353	103,845	11,908	196,021
Transportation services					
Roadways	8	1,417,571			60,425
Winter control	9	886,464			
Transit	10	2,267,971			2,916,130
Parking	11				1,031,066
Street lighting	12				
Air transportation	13				
. Unclassified	14				108,172
Subtotal	15	4,572,006			4,115,793
Environmental services					
Sanitary sewer system	16				11,732
Storm sewer system	17				
Waterworks system	18				20,425
Garbage collection	19				16,002
Garbage disposal	20				389,150
Pollution control	21				
.	22				
Subtotal	23				437,309
Health services					
Public health services	24	2,655,804	4,944	148,521	
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				106,490
.	29				
Subtotal	30	2,655,804	4,944	148,521	106,490
Social and family services					
General assistance	31	6,509,941	28,800		36,517
Assistance to aged persons	32	8,830,974			4,682,457
Assistance to children	33	74,930			1,309
Day nurseries	34	943,567			396,731
. Assistance to Physically Disabled	35	247,868			
Subtotal	36	16,607,280	28,800		5,117,014
Recreation and cultural services					
Parks and recreation	37	37,054	6,926		2,955,195
Libraries	38	327,253	80,503	43,011	50,899
Other cultural	39				
Subtotal	40	364,307	87,429	43,011	3,006,094
Planning and development					
Planning and zoning	41	5,778			126,794
Commercial and industrial	42	16,713	3,054		482,713
Residential development	43	8,544	19,025		
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
.	46				
Subtotal	47	31,035	22,079		609,507
Electricity	48				
Gas	49				
Telephone	50				
Total	51	24,271,450	247,097	208,633	13,952,200

ANALYSIS OF REVENUE FUND EXPENDITURES

for the year ended December 31, 1986

CITY OF THUNDER BAY

4

		1 salaries, wages and employee benefits $	2 net long term debt charges $	3 materials, services, rents and financial expenses $	4 transfers to own funds $	5 other transfers $	6 inter-functional transfers $	7 total expenditures $	
General government	1	4,222,791	41,315	2,425,973	1,165,705	5,500	(233,723)	7,627,561	1
Protection to persons and property									
Fire	2	9,332,882	14,171	536,355	315,088		333,397	10,531,893	2
Police	3	11,371,846		1,351,612	270,775		2,899	12,997,132	3
Conservation authority	4					276,184		276,184	4
Protective inspection and control	5	676,790		82,564	4,674	246,908		1,009,936	5
Unclassified	6	97,338		41,107	5,000		154	143,599	6
Subtotal	7	21,478,856	14,171	2,010,638	595,537	523,092	336,450	24,958,744	7
Transportation services									
Roadways	8	4,455,131	658,997	2,170,066	2,623,065		(313,862)	9,593,397	8
Winter control	9	957,594		1,126,818	53,197		1,140	2,138,749	9
Transit	10	6,235,109	45,188	2,631,710	263,913		340	9,176,260	10
Parking	11	404,204	629,445	716,715	172,800		299	1,923,463	11
Street lighting	12	149,563		694,712	292,539			1,136,814	12
Air transportation	13								13
EMO and Flood Control	14	66,614	75,652	41,022	131,715			315,003	14
Subtotal	15	12,268,215	1,409,282	7,381,043	3,537,229		(312,083)	24,283,686	15
Environmental services									
Sanitary sewer system	16	1,043,654	2,183,192	1,735,462	418,499		68,932	5,449,739	16
Storm sewer system	17		696,188		497,938			1,194,126	17
Waterworks system	18	2,554,312	1,913,256	1,586,441	494,181		(226,710)	6,321,480	18
Garbage collection	19	1,474,209		394,932	73,312		855	1,943,308	19
Garbage disposal	20	372,358		267,081	82,803			722,242	20
Pollution control	21								21
	22					15,386		15,386	22
Subtotal	23	5,444,533	4,792,636	3,983,916	1,566,733	15,386	(156,923)	15,646,281	23
Health services									
Public health services	24	2,711,276		510,534	46,045	210,490	837	3,479,182	24
Public health inspect. and control	25								25
Hospitals	26		86,945					86,945	26
Ambulance services	27								27
Cemeteries	28	263,524		51,787			2,228	317,539	28
	29								29
Subtotal	30	2,974,800	86,945	562,321	46,045	210,490	3,065	3,883,666	30
Social and family services									
General assistance	31	2,423,470		912,954	42,693	5,642,350	1,820	9,023,287	31
Assistance to aged persons	32	13,219,520	53,570	2,319,791	385,274	570	255,582	16,234,307	32
Assistance to children	33	77,896		50,421		720,115		848,432	33
Day nurseries	34	915,402		650,844	29,614		1,285	1,597,145	34
Assistance to Physically Disabled	35					355,441		355,441	35
Subtotal	36	16,636,288	53,570	3,934,010	457,581	6,718,476	258,687	28,058,612	36
Recreation and cultural services									
Parks and recreation	37	7,246,157	283,865	3,171,416	1,671,751	45,004	88,168	12,506,361	37
Libraries	38	2,388,030	59,970	1,209,695	83,428		12,640	3,753,763	38
Other cultural	39	15,538		1,432	9,025	1,286,349		1,312,344	39
Subtotal	40	9,649,725	343,835	4,382,543	1,764,204	1,331,353	100,808	17,572,468	40
Planning and development									
Planning and zoning	41	1,042,534		196,961	11,300		571	1,251,366	41
Commercial and industrial	42	211,700	190,603	1,130,313	90,451		1,248	1,626,215	42
Residential development	43					200,000		200,000	43
Agriculture and reforestation	44					150		150	44
Tile drainage/shoreline assistance	45								45
South Core Revitalization	46		6,224					6,224	46
Subtotal	47	1,254,234	196,827	1,327,274	101,751	200,150	1,819	3,083,955	47
Electricity	48								48
Gas	49								49
Telephone	50								50
Total	51	73,929,442	6,938,581	26,007,718	9,234,785	9,004,447	-	125,114,973	51

		$
Total of column 2 includes:		
Payments to Ontario in respect of Downtown Revitalization Program loans	81	6,224
Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year)	82	
Interest portion of transit debt charges included on line 10	83	28,061
Total of column 3 includes:		
Ministry of the Environment		
Provincial projects service charges —water	52	
—sewer	53	
Provincial projects frontage and connection charges—water	57	
—sewer	58	
Joint projects operating charges —water	54	
—sewer	55	
O.P.P. policing contracts	56	
Short term interest costs	60	811
Total of column 5 includes:		
Grants to charitable and non-profit organizations	62	1,805,839
Grants to universities and colleges	63	58,276
Contributions to UNCONSOLIDATED joint local boards		
Health unit	64	
District welfare board	65	
Home for the aged	66	
Recreation board(s)	67	
Fire area board	68	
Suburban roads commission	69	
.	70	
.	71	
Line 1 of column 7 includes:		
Members of council	72	237,964
Line 51 of column 7 includes:		
Payments in respect of long term commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board. Exclude debt charges reported in column 2.	73	15,000

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

5
9

		1 5
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	(66,405)
Sources of financing		
Contributions from own funds		
Revenue fund	2	5,290,188
Reserves and reserve funds	3	4,706,669
Subtotal	4	9,996,857
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	
The Public		
Serial debentures	13	2,817,000
Sinking fund debentures	14	
.	15	
.	16	
.	17	
Subtotal*	18	2,817,000
Grants and loan forgiveness		
Ontario	20	4,271,651
Canada	21	20,840
Other municipalities	22	
Subtotal	23	4,292,491
Other financing		
Prepaid special charges	24	207,182
Proceeds from sale of fixed assets	25	1,891,686
Investment income		
From own funds	26	
Other	27	16,677
Donations/Subscriptions	28	196,986
.	30	
.	31	
Subtotal	32	2,312,531
Total sources of financing	33	19,418,879
Applications		
Own expenditures		
Short term interest costs	34	
Other	35	17,803,622
Subtotal	36	17,803,622
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	
Unconsolidated local boards	38	
Individuals	39	
Subtotal	40	
Transfers to reserves, reserve funds and the revenue fund	41	3,230
Total applications	42	17,806,852
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	(1,678,432)
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	(4,796,418)
To be recovered from:		
—taxation or user charges within term of council	45	163,083
—proceeds from long term liabilities	46	2,954,903
—transfers from reserves and reserve funds	47	
—other (specify)	48	
Total unfinanced capital outlay (unexpended capital financing)	49	(1,678,432)
*amount in line 18 raised on behalf of other municipalities	19	Nil

ANALYSIS OF CAPITAL GRANTS AND OWN EXPENDITURES

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

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		CAPITAL GRANTS			TOTAL OWN EXPENDITURES
		Ontario grants	Canada grants	Other municipalities	
		1 $	2 $	3 $	4 $
General government	1				960,372
Protection to persons and property					
Fire	2				832,603
Police	3				3,908,762
Conservation authority	4				
Protective inspection and control	5				166,159
	6				
Subtotal	7				4,907,521
Transportation services					
Roadways	8	2,241,311	20,840		5,049,606
Winter control	9				82,986
Transit	10	187,814			350,197
Parking	11				31,270
Street lighting	12				282,539
Air transportation	13				
Public Works Unclassified	14	1,018			95,341
Subtotal	15	2,430,143	20,840		5,892,950
Environmental services					
Sanitary sewer system	16				81,880
Storm sewer system	17	581,280			1,058,748
Waterworks system	18	(677)			432,685
Garbage collection	19				131,912
Garbage disposal	20				98,103
Pollution control	21				
	22				
Subtotal	23	580,603			1,803,326
Health services					
Public health services	24	84,015			135,458
Public health inspections and control	25				
Hospitals	26				
Ambulance services	27				
Cemeteries	28				
	29				
Subtotal	30	84,015			135,458
Social and family services					
General assistance	31				82,693
Assistance to aged persons	32	148,133			244,063
Assistance to children	33				
Day nurseries	34				29,614
	35				
Subtotal	36	148,133			356,370
Recreation and cultural services					
Parks and recreation	37	435,203			2,690,256
Libraries	38	153,400			218,299
Other cultural	39	439,772			209,100
Subtotal	40	1,028,375			3,117,655
Planning and development					
Planning and zoning	41				7,600
Commercial and industrial	42				94,496
Residential development	43	382			527,874
Agriculture and reforestation	44				
Tile drainage/shoreline assistance	45				
	46				
Subtotal	47	382			629,970
Electricity	48				
Gas	49				
Telephone	50				
Total	51	4,271,651	20,840		17,803,622

ANALYSIS OF NET LONG TERM LIABILITIES BY FUNCTION

as at December 31, 1986

Municipality

CITY OF THUNDER BAY

7
11

			1 $
General government		1	
Protection to persons and property			
Fire			
Police		2	64,681
Conservation authority		3	
Protective inspection and control		4	
		5	
		6	
	Subtotal	7	64,681
Transportation services			
Roadways			
Winter control		8	3,331,355
Transit		9	
Parking		10	258,683
Street lighting		11	1,986,000
Air transportation		12	
Unclassified Public Works		13	
		14	381,636
	Subtotal	15	5,957,674
Environmental services			
Sanitary sewer system		16	13,787,475
Storm sewer system		17	3,123,744
Waterworks system		18	8,392,049
Garbage collection		19	
Garbage disposal		20	
Pollution control		21	
		22	
	Subtotal	23	25,303,268
Health services			
Public health services		24	
Public health inspections and control		25	
Hospitals		26	39,000
Ambulance services		27	
Cemeteries		28	
		29	
	Subtotal	30	39,000
Social and family services			
General assistance		31	
Assistance to aged persons		32	135,000
Assistance to children		33	
Day nurseries		34	
		35	
	Subtotal	36	135,000
Recreation and cultural services			
Parks and recreation		37	1,252,312
Libraries		38	315,000
Other cultural - Community Auditorium		39	1,250,000
	Subtotal	40	2,817,312
Planning and development			
Planning and zoning		41	599,000
Commercial and industrial		42	
Residential development		43	
Agriculture and reforestation		44	
Tile drainage/shoreline assistance		45	
South Core Revitalization		46	3,989,125
	Subtotal	47	4,588,125
Electricity		48	1,844,000
Gas		49	
Telephone		50	2,649,000
	Total	51	43,398,060

		1 $
1. Calculation of debt burden of the municipality		
All debt issued by the municipality, predecessor municipalities and consolidated entities		
: To Ontario and agencies	1	11,127,260
: To Canada and agencies	2	7,836,042
: To other	3	26,819,594
Subtotal	4	45,782,876
Plus: All debt assumed by the municipality from others	5	
Less: All debt assumed by others		
: Ontario	6	
: Schoolboards	7	123,527
: Other municipalities	8	
Subtotal	9	123,527
Less: Ministry of the Environment debt retirement funds		
—sewer	10	1,511,462
—water	11	749,827
Own sinking funds (actual balances)		
—general municipal	12	
—enterprises and other	13	
Subtotal	14	2,261,289
Total	15	43,398,060
Sinking fund debentures	16	
Installment (serial) debentures	17	38,427,335
Long term bank loans	18	
Lease purchase agreements	19	
Mortgages	20	
Ministry of the Environment	22	866,913
·Ministry of Housing - Loan re McVicar's Creek Culvert	23	114,667
·Ministry of Housing - Downtown Revitalization	24	3,989,125
		43,398,060

		$
2. Total debt payable in foreign currencies (net of sinking fund holdings)		
U.S. dollars—Canadian dollar equivalent included in line 15 above	25	6,148,000
—per value of this amount in U.S. dollars	26	6,148,000
Other —Canadian dollar equivalent included in line 15 above	27	
—per value of this amount in _____	28	

		$
3. Interest earned on sinking funds and debt retirement funds during the year		
Own funds	29	
Ministry of the Environment—sewer	30	151,076
—water	31	74,882

		$
4. Actuarial balance of own sinking funds at year end	32	

		$
5. Long term commitments and contingencies at year end		
Total liability for accumulated sick pay credits	33	6,029,000
Total liability under OMERS plans		
—initial unfunded (payable over 12 years) (number of employees 571)	34	7,794,000
—actuarial deficiency (payable over ____ years)	35	
Total liability for own pension funds		
—initial unfunded (payable over ____ years) (number of employees ____)	36	
—actuarial deficiency (payable over ____ years)	37	
Outstanding loans guaranteed (payable over ____ years)	38	
Commitments and liabilities financed from revenue, as approved by the Ontario Municipal Board		
—hospital support	39	
—university support	40	
—leases and other agreements	41	
Other (specify) .	42	
	43	
	44	
Total	45	13,823,000

6. Ministry of the Environment Provincial Projects

		accumulated surplus (deficit) 1 $	total outstanding capital obligation 2 $	debt charges 3 $
Water projects —for this municipality only	46			
—share of integrated project(s)	47			
Sewer projects —for this municipality only	48			
—share of integrated project(s)	49			

7. 1986 Debt Charges

		principal 1 $	interest 2 $
Recovered from the consolidated revenue fund			
—general tax rates	50	528,520	283,795
—special area rates and special charges	51	1,157,968	1,873,811
—benefitting landowners	52	166,323	340,275
—user rates (consolidated entities)	53	1,236,372	1,351,517
Recovered from reserve funds	54	14,333	
Recovered from unconsolidated entities			
—hydro	55	110,000	186,946
—gas and telephone	57	251,000	303,711
—	56		
—	58		
—	59		
Total	78	3,464,516	4,340,055

8. Future principal and interest payments on existing net debt

		recoverable from the consolidated revenue fund		recoverable from reserve funds		recoverable from unconsolidated entities	
		principal	interest	principal	interest	principal	interest
		1 $	2 $	3 $	4 $	5 $	6 $
1987	60	3,556,773	3,799,672	14,333		399,000	451,026
1988	61	3,848,326	3,407,433	14,333		442,000	407,105
1989	62	4,191,257	2,926,483	14,333		492,000	357,815
1990	63	3,160,442	2,468,269	14,333		546,000	302,836
1991	64	3,128,210	2,110,112	14,333		333,000	241,679
1992-1996	65	10,655,412	6,519,370	43,002		2,108,000	660,413
1997 onwards	79	6,260,848	3,451,000			173,000	16,219
Interest to be earned on sinking funds*	69						
Downtown revitalization program	70	3,989,125					
Total	71	38,790,393	24,682,339	114,667		4,493,000	2,437,093

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on expected new debt

		1 $
1987	72	
1988	73	306,700
1989	74	651,600
1990	75	905,600
1991	76	1,147,200
Total	77	3,011,100

10. Other notes (attach supporting schedule as required)

Debt Payable in Foreign Currencies

(a) The Canadian dollar equivalent at December 31, 1986, using the rate of exchange in effect at the time of each U.S. debenture issue is $6,230,064, a difference of $82,064 from the par value in U.S. dollars. The net long term liabilities as shown on Schedules 7, 8, and 11 have not been restated to reflect this difference.

(b) The Canadian dollar equivalent at December 31, 1986, using the rate of exchange in effect as at December 31, 1986, is $8,487,000. The exchange premium is funded from a reserve fund set up for this purpose together with a contribution from the revenue fund.

CONTINUITY OF UPPER TIER AND SCHOOL BOARD LEVIES

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

9LT 13

UPPER TIER

		1 Balance at beginning of year $	2 Amounts requisitioned $	3 Supplementary taxes $	4 Total expended $	5 Amount levied $	6 Telephone and telegraph taxation $	7 Share of Provincial grants $	8 Share of payments in lieu of taxes $	9 Other $	10 Total refund $	11 Balance at end of year $	
Included in general mill rate for upper tier purposes													
General requisition	1												
Special purpose requisitions													
Water rate	2												
Transit rate	3												
Sewer rate	4												
Library rate	5												
Road rate	6												
.	7												
.	8												
.	9												
.	10												
Sub total levied by mill rate—general	11												11
Special purpose requisitions													
Water	12												
Transit	13												
Sewer	14												
Library	15												
.	16												
.	17												
Sub total levied by mill rate—special areas	18												18
Special charges	19												19
Direct water billings	20												20
Sewer surcharge on direct water billings	21												21
Total region or county	22												22

(142)

SCHOOL BOARDS

		1 Balance at beginning of year $	2 Amounts requisitioned $	3 Supplementary taxes $	4 Pupils' fees, share of trailer licenses $	5 Total expended $	6 Amount levied $	7 Telephone and telegraph taxation $	8 Share of payments in lieu of taxes $	9 Pupils' fees, share of trailer licenses $	10 Total refund $	11 Balance at end of year $	
Elementary public	23	(9,030)	17,160,691	208,059		17,368,750	16,843,050	124,100	423,812		17,390,962	13,182	
.	24												
.	25												
.	26												
.	27												
Elementary separate	28	(3,152)	4,964,516	60,389		5,024,905	4,954,658		76,530		5,031,188	3,131	
.	29												
.	30												
.	31												
Secondary	32	1,462	16,863,568	204,538		17,068,106	16,525,706	119,500	416,233		17,061,439	(5,205)	
.	33												
.	34												
.	35												
Total school boards	36	(10,720)	38,988,775	472,986		39,461,761	38,323,414	243,600	916,575		39,483,589	11,108	36

CONTINUITY OF RESERVES AND RESERVE FUNDS

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

10
15

				1 $
Balance at beginning of year			1	31,625,793
Revenues				
Contributions from revenue fund			2	3,944,597
Contributions from capital fund			3	3,230
Lot levies and subdivider contributions			60	
Recreational land (the Planning Act)			61	86,060
Investment income—from own funds			5	
—other			6	2,437,577
. Donations			9	26,000
. Group Life Insurance Rebate			10	91,584
. Provincial Grant			11	17,800
. Contribution from: Community Auditorium	59,747		12	208,431
Telephone	64,382			
Hydro	84,302	**Total revenue**	13	6,815,279
	208,431			
Expenditures				
Transferred to capital fund			14	4,706,669
Transferred to revenue fund			15	20,000
Charges for long term liabilities—principal and interest			16	14,333
. Consulting Fee on Self Insurance			63	5,000
. Exchange on U.S. Debentures			20	393,397
. Municipal Portion of Severance Plan Payments			21	4,023
		Total expenditure	22	5,143,422
Balance at end of year for:				
Reserves			23	5,258,628
Reserve Funds			24	28,039,022
		Total	25	33,297,650
analysed as follows:				
Working funds			26	4,300,000
Contingencies			27	
Ministry of the Environment fund for renewals, etc.				
—sewer			28	
—water			29	144,058
Replacement of equipment			30	568,506
Sick leave			31	5,026,620
Insurance			32	5,889,521
Workmen's compensation			33	
Capital expenditure—general administration			34	3,124,164
—roads			35	2,093,770
—sanitary and storm sewers			36	1,446,777
—parks and recreation			64	1,053,235
—library			65	151,003
—other cultural			66	
—water			38	
—transit			39	219,859
—housing			40	30,000
—industrial development			41	59,100
—other and unspecified			42	491,122
Lot levies and subdivider contributions			44	
Recreational land (the Planning Act)			46	1,381,953
Parking revenues			45	58,227
Debenture repayment			47	5,232,021
Exchange rate stabilization			48	762,706
Waterworks current purposes			49	
Transit current purposes			50	
Library current purposes			51	
. Benefit Rate Stabilization			52	1,185,218
. Health Unit Severance Plan Allowance			53	79,790
.			54	
.			55	
.			56	
.			57	
		Total	58	33,297,650

ANALYSIS OF CONSOLIDATED YEAR END BALANCES
as at December 31, 1986

Municipality: **CITY OF THUNDER BAY**

		1 $	2 $
ASSETS			
Current assets			portion of cash not in chartered banks
Cash	1	22,764,195	
Accounts receivable			
Canada	2		
Ontario	3	88,553	
Region or county	4	6,822,436	
Other municipalities	5		
School boards	6		
Waterworks	7		
Other (including unorganized areas)	8	1,846,274	portion of taxes receivable for business taxes
Taxes receivable		4,792,128	
Current year's levies	9	2,496,630	336,599
Previous year's levies	10	748,356	44,115
Prior years' levies	11	110,837	11,859
Penalties and interest	12	201,997	31,924
Less allowance for uncollectables	13	(311,462)	(155,462)
Investments (market value $			
Canada	14		
Provincial	15		
Municipal	16		
Other	17		
Other current assets	18		portion of line 20 for tax sale/tax registration
Capital outlay to be recovered in future years	19	2,189,109	
Other long term assets	20	43,398,060	273,507
Total	21	214,397	
		85,361,510	
LIABILITIES			
Current liabilities			portion of loans not from chartered banks
Temporary loans—current purposes	22		
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26		
Ontario	27		
Region or county	28		
Other municipalities	29		
School boards	30	2,931	
Trade accounts payable	31	11,511,528	
Other	32		
Other current liabilities	33	391,476	
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	10,547,460	
—special area rates and special charges	35	14,513,387	
—benefitting landowners	36	3,092,814	
—user rates (consolidated entities)	37	10,636,732	
Recoverable from Reserve Funds	38	114,667	
Recoverable from unconsolidated entities	39	4,493,000	
Less: Own holdings	40	(10,252,900)	
Reserves and reserve funds	41	33,297,650	
Accumulated net revenue (deficit)			
General revenue	42	965,211	
Special charges and special areas (specify) Business Improvement Area		(6,230)	
Local Improvement Pre-Levies	43	544,329	
Special Areas-Garbage Collection & Disposal	44	219,803	
-Street Lighting	45	85,010	
-Sewage & Drainage	46	308,745	
-Public Transportation		540,704	
Consolidated local boards (specify)			
Transit operations	47		
Water operations	48	2,644,235	
Libraries	49	9,278	
Cemeteries	50		
Recreation, community centres and arenas	51		
Thunder Bay District Health Unit	52	12,140	
	53		
	54		
	55		
Region or county	56		
School boards	57	11,108	
Unexpended capital financing/(unfinanced capital outlay)	58	1,678,432	
Total	59	85,361,510	

STATISTICAL DATA

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

1. Number of continuous full time employees as at December 31

		1
Administration	1	68
Non-line Departmental Support Staff	2	169
Fire	3	201
Police	4	237
Transit	5	132
Public Works	6	305
Health Services	7	83
Homes for the Aged	8	305
Other Social Services	9	101
Parks and Recreation	10	168
Libraries	11	67
Planning	12	40
Emergency Measures	13	01
	full time employees December 31 Total	1,856

2. Total expenditures during the year on:

		1 $	2 $
			Other
Wages and salaries	14	71,802,155	
Employee benefits	15	10,052,000	

3. Reductions of tax roll during the year (lower tier municipalities only)

		1 $
Cash collections: Current year's tax	16	80,807,211
Previous years' tax	17	2,326,968
Penalties and interest	18	539,509
Subtotal	19	83,673,688
Discounts allowed	20	
Tax adjustments under section 362 and 363 of the Municipal Act —amounts added to the roll	22	( )
—amounts written off	23	
Tax adjustments under sections 465, 495 and 496 of the Municipal Act —recoverable from upper tier and school boards	24	386,468
—recoverable from general municipal revenues	25	492,258
Transfers to tax sale and tax registration accounts	26	41,275
The Municipal Elderly Residents' Assistance Act—reductions	27	
—refunds	28	
Other (specify)	80	
Total reductions	29	84,593,669
Amounts added to the tax roll for collection purposes only	30	12,279
Business taxes written off under subsection 495 (1) of the Municipal Act	81	70,776

4. Tax due dates for 1986 (lower tier municipalities only)

			1 2
Interim billings:	Number of installments	31	
	Due date of first installment (MMDDYY)	32	02 18 86
	Due date of last installment (MMDDYY)	33	04 16 86
Final billings:	Number of installments	34	2
	Due date of first installment (MMDDYY)	35	07 03 86
	Due date of last installment (MMDDYY)	36	10 01 86
Supplementary taxes levied with 1987 due date		37	$ -

5. Projected capital expenditures and long term financing requirements as at December 31

		1 gross expenditure $	2 long term financing requirements: approved by the O.M.B. $	3 submitted but not yet approved by the O.M.B. $	4 forecast not yet submitted to the O.M.B. $
Estimated to take place					
in 1987	58	29,459,600	7,903,600		1,070,500
in 1988	59	30,360,300	3,468,000		6,000,000
in 1989	60	27,151,000			4,800,000
in 1990	61	27,137,300			5,200,000
in 1991	62	22,219,000			
Total	63	136,329,000	11,371,600		19,070,500

		1 balance in fund $	2 loans outstanding $
6. Ontario Home Renewal Plan trust fund at year end	82	1,059,795	763,478

7. Analysis of direct water and sewer billings as at December 31

water

		number of residential units	1986 billings: residential units $	1986 billings: all other properties $	4
		1	2 $	3 $	
In this municipality	39	32,286	4,520,000	2,346,064	
In other municipalities (specify municipality)	40				
	41				
	42				
	43				
	44				

sewer

		number of residential units	1986 billings: residential units $	1986 billings: all other properties $
		1	2 $	3 $
In this municipality	44			
In other municipalities (specify municipality)	45			
	46			
	47			
	48			
	65			

		water 1	sewer 2
Number of residential units in this municipality receiving municipal water and sewer services but which are not on direct billing	66		

8. Selected investments of own sinking funds as at December 31

		own municipality $	other municipalities, school boards $	Province $	Federal $
		1	2	3	4
Own sinking funds	83				

9. Borrowing from own reserve funds

		1 $
Loans or advances due to reserve funds as at December 31	84	

10. Joint boards consolidated by this municipality

		total board expenditure $	contribution from this municipality $	this municipality's share of total municipal contributions %	for computer use only
		1	2	3	4
name of joint boards					
Emergency Measures	53	93,206	43,735	78.60	
Thunder Bay District Health Unit	54	3,226,670	523,354	77.89	
	55				
	56				
	57				

11. Applications to the Ontario Municipal Board

		tile drainage, shoreline assistance, downtown revitalization, electricity, gas, telephone $	other $	total $
		1	2	3
Approved but not financed as at Dec. 31, 1985	67	5,816,000	9,865,990	15,681,990
Approved in 1986	68	4,968,000	96,282	5,064,282
Financed in 1986	69	2,600,000	2,817,000	5,417,000
No long term financing necessary	70		3,525,612	3,525,612
Balance approved but not financed as at Dec. 31, 1986	71	7,984,000	3,619,860	11,603,860
Applications submitted but not approved as at December 31, 1986	72	-	-	-

12. Forecast of total revenue fund expenditures

	1987 1 $	1988 2 $	1989 3 $	1990 4 $	1991 5 $
73	131,371,000	137,939,000	144,837,000	152,078,000	159,682,000

AUDITOR'S REPORT

Municipality

CORPORATION OF THE
CITY OF THUNDER BAY

To the Ministry of
Municipal Affairs and Housing

We have examined grant information schedule 13 of the Financial Information Return of the Corporation of the City of Thunder Bay for the year ended December 31, 1986. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, this schedule presents fairly the grant information shown therein in accordance with instructions issued by the Ministry of Municipal Affairs and Housing for the year 1986.

Thunder Bay, Canada,
April 13, 1987.

Thorne Ernst & Whinney,
Chartered Accountants.
Licence No. 1086.

Clarkson Gordon,
Chartered Accountants.
Licence No. 001217.

GRANT INFORMATION

for the year ended December 31, 1986

Municipality: CITY OF THUNDER BAY

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ANALYSIS OF REVENUE FUND REVENUES — 1

Note: Upper tiers use column 4 only.

		upper tier purposes 2 $	own purposes 4 $
Taxation			
Direct water billings on ratepayers - own municipality	2		6,866,064
Sewer surcharge on direct water billings - own municipality	4		
Payments in lieu of taxes			
Subtotal	18		4,114,641

ANALYSIS OF TAXATION — 2LT

LOCAL TAXABLE ASSESSMENT

I. Own purposes (a) Levied by mill rate		residential and farm 1 $	commercial and industrial 2 $	business 3 $
General	30	132,149,850	86,402,579	33,212,080
police villages at reduced rates	31			
farms at reduced rates	32			

TAXES LEVIED

		commercial and industrial 7 $	business 8 $	total 12 $
Subtotal levied by mill rate	1	16,415,370	6,271,506	
Share of telephone and telegraph taxation	2			315,828
Total own purposes taxation	4			45,413,721
II. Upper tier purposes				
Subtotal levied by mill rate	5			
share of telephone and telegraph taxation	6			
Total upper tier taxation	8			

ANALYSIS OF CAPITAL OPERATIONS — 5

		1 $
Other financing		
Prepaid special charges	24	207,182